The Relationship between University Autonomy and Funding in England and in Taiwan

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ABSTRACT

This thesis aims, first, to examine critically the idea and the practice of university autonomy in England and in Taiwan; second, to re-interpret the changing relationship between the government and the university, in both countries, by employing the notion of 'boundary'; third, theoretically and empirically to explore the relationship between university autonomy and funding; and, fourth, to explore the usefulness and applicability of the concept of 'contractual autonomy'.

The argument of this thesis is that the relationship between university autonomy and funding of a given country cannot be understood simply in terms either of the resource dependence perspective, or of a judgement of the degree of university autonomy against funding mechanisms. Instead, it must be interpreted in the context of government-university relationships more generally, and of the context of the idea of university autonomy in that country. In other words, the government-university relationship and the idea of university autonomy, involve more than a financial tie. As a consequence, greater efforts on the part of universities to diversify their funding bases may well not enhance, or at least not directly, their autonomy. Through an extensive review of literature, and empirical study, the argument of this thesis is supported.

The background of the study is sketched out in Chapter 1. Chapter 2 considers the theoretical framework concerning organisation theory and comparative higher education. Thereafter, there are explorations of the concepts of university governance, university autonomy, funding, and government-university relationships, and their practice in England and in Taiwan, covering chapters 3, 4, 5, and 6. The methods of questionnaire and interview have been selected to allow this study to provide not only a broad but also an in-depth understanding of the empirical situations of university autonomy, and its association with funding, in both countries. Research methodology, and empirical findings, are presented, in Chapter 7 and Chapter 8, respectively. Finally, there is a drawing-together of empirical findings and theory, for discussion, with final conclusions, in Chapter 9.

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List of Abbreviations

CNAA	Council for National Academic Awards
CUC	Committee of University Chairmen
CVCP	Committee of Vice Chancellors and Principals
DES	Department of Education and Science
DfEE	Department of Education and Employment
DPP	Democratic Progress Party (Opposition Party in Taiwan)
EHE	Enterprise of Higher Education Initiatives
ERA	Education Reform Act 1988
FHEA	Further and Higher Education Act 1992
HEFCE	Higher Education Funding Council for England
HMI	Her Majesty's Inspectorate
LEA	Local Education Authority
MOE	Ministry of Education (Taiwan)
NAB	National Advisory Body for Public Sector Higher Education
OGB	Official Government Budgeting
PCFC	Polytechnics and Colleges Funding Council
QAA	Quality Assurance Agency
RAE	Research Assessment Exercise
THEA	Teaching and Higher Education Act 1998
TQA	Teaching Quality Assessment
UDFF	University Development Foundation Fund (for National Universities in Taiwan)
UFC	Universities Funding Council
UGC	University Grants Committee
URP A	University Reform and Promotion Association (Taiwan)

Chapter 1

The Background of the Study

1.1 Introduction

The debates over whether universities should pursue knowledge just for its own sake, or should advance it for utilitarian purposes, reveal the long-existing contrast between the image and the reality of the university. In the nineteenth century, Cardinal John Henry Newman, articulated 'a vision of the university' which downplayed relevance, usefulness, and practicality. It would, instead, be dedicated to the pursuit of knowledge for its own sake and to the cultivation of the intellect of wealthy young men (Turner, 1996, p. 282). In a real sense, however, as Scott (1995) observes, most Victorian universities were 'much grubbier functional institutions'. Newman's idea of the university did not find any firm ground on which to establish a base, even in his own country and in his time; needless to say, it will not be carried out in the twentieth century, when the universities are confronting even more worldly challenges. Adding to this impossibility of achievement of Newman's goal, are two key modern powerful forces that have transformed the modern image of universities. One is the intellectual achievement in natural science, and the other is the political force stemming from the rise of democracy and mass demand for higher education (The Economist, October 1997). Both have complicated government-university relationships. Universities have involved more complex interests of disparate users, and taken on multiple missions, including those of think-tanks, and consultancy, in the research arenas and corporate classroom in education and training (Bargh *et al.*, 1996, p. 161).

It has largely been assumed that the crucial spirit and fundamental scholarly values which the Medieval university had, have been passed on to its modern counterpart, today. Hayhoe (1996) sums these ideas up, in the concepts of autonomy and academic freedom (p. 4). However, this established assumption towards university has been challenged. It becomes critical to understand how universities nowadays resolve the many doubts cast on their claim for university autonomy, as necessary conditions for the proper discharge of their functions (Robbins Report, 1963, para. 708-9; CEPES, 1993),

rather than an ideology which is self-serving and even self-indulgent. In addition, scholars of higher education, like Neave (1988a) and Tapper and Salter (1995), suggest that the idea of university autonomy is changing and needs to be redefined. This study aims to explore the changing idea of university autonomy and, in particular, its relationship with financial matters.

1.2 Background and The Problem Defined

Briefly sketching out recent changes in Britain and Taiwan is useful as a lead-in to a statement of the reasons for doing this study, and of its objectives. Since the 1980s, the whole higher education scene in Britain has changed dramatically. Becher (1987) observes that quantitative differences and qualitative changes in higher education have already made it hard for the graduate of the pre-1960s period to recognise the contemporary landscape. It would be even harder for those who came across the continuing changing image of higher education in the 1990s, and many events which challenged the taken-for-granted government-university relationships. Government in the UK was beginning to adopt an active role in higher education policy-making. Its financial cuts in 1981 and 1983 were described as an attack on universities (Kogan and Kogan, 1983). The buffer principle, regarded as 'the most enlightened principles of state conduct toward universities' (Berdahl, 1959, p. 194), was being eroded, during the last days of the University Grants Committee (UGC) (Shattock and Berdahl, 1984), and its final replacement by the Universities Funding Council (UFC) in 1989.

There are two overarching trends in the development of higher education – massification and marketisation, identified by Bargh *et al.* (1996), under which a new policy and management environment for higher education in the UK has developed. How do the British universities perceive their autonomy, given the realities of massification and marketisation? A quick overview can be had in Eustace's study (1994), concluding, after reviewing four studies - Halsey (1992), Tapper and Salter (1992), Middlehurst, Pope and Wray (1991), and Becher and Kogan (1992), that the perception is a mixture of pessimistic and optimistic views. Although some hopeful signs prove that a vigorous culture of autonomy remains, or at least remained until recently, Eustace (1994) indicates that what is probably the most debilitating characteristic of academe in Britain today is, he found, a sense of loss (p. 115). Besides,

a constructive view is offered by Tapper and Salter (1995) who argue that the idea of university autonomy in Britain has not disappeared, but 'has been reformulated' (p. 59). Further study of how university autonomy has been reformulated in Britain, is needed. In summary, all these changes provide a challenge to the established concepts of university autonomy, and of the British government-university relationship. More empirical study is needed.

In the past decade, changes in Taiwan's higher education policy have also brought in a new era in the history of the development of the university. Since the 1970s, the government in Taiwan had had a strong belief in developing human capital, through education, in order to compensate for the shortage of natural resources, and to inculcate political ideology in the minds of its people. Seemingly fortunately, achievements in education created a so-called 'Taiwanese Experience' in economic prosperity, in the 1990s, which has been admired by neighboring countries in Asia. However, some observers warned that the economic-oriented and centrally-controlled education system would become an obstacle to further development of itself, unless some attention was paid to the pursuit of excellence and diversity in education, as was happening in neighboring countries.

Such an awareness was revealed in the concerns of the issue of university governance. The government had tried to control the development, and even management, of the university, at a time when the latter's contribution to economic growth was seen as a major function of the university. The distortion of the nature of a university made it hard for the universities in Taiwan, national or private, to develop their own identities, or to embrace the traditional university values of academic freedom and university autonomy within such a context.

The government has now promised to grant the universities more autonomy after the revision of the University Act in 1994, and the emergence of the Interpretation No. 380 of the Council of Grand Justice in 1995. The latter formed a set of checks and balances on the Ministry of Education (MOE) and established the principle that those powers which were not granted by statutes to the MOE, fell within the scope of university autonomy. Moreover, since 1995, a new trial funding scheme has been implemented, to encourage national universities, which were completely dependent on public funds, to

begin diversifying their funding in order to revive their moribund operation and developments. Several national universities were willing to participate in this trial, partly because, through it, they assumed that they could have greater financial autonomy to fulfil their own missions. With the passage of the revision of the University Act, the emergence of the Interpretation No. 380, a new funding scheme and the policy of de-regulation, a new picture is becoming apparent that the realisation of academic freedom and university autonomy seem not too far away in Taiwan.

By contrast with the situation in the UK, where the idea of university autonomy has been thoroughly explored, the idea of university autonomy in Taiwan had been suffering from a long-period of neglect. It has been argued that there was no idea of university autonomy in Chinese tradition (Hayhoe, 1996). Nevertheless, as Neave - who proposed the notion of 'boundary' (1982) to reinterpret the government-university relationship and the idea of university autonomy – argues, 'autonomy is contextually and political defined' (1988a, p. 31). This argument validates the idea of a study on university autonomy in any group of countries; of course, this includes Taiwan. The boundary, between the government and the university, set by the political and social context, can be discussed, studied and compared. Now is an appropriate time to explore the idea and practice of university autonomy in Taiwan, and offer it a contextual definition.

Statements - like 'the higher the proportion of university income that comes from non-government sources, the greater their freedom of action' (UGC, 1984), 'it is in the interests of universities...to look for increased levels of funding from private sources...(since) such private income can enhance considerably the independence of individual institutions' (White Paper, 1991, para. 14), or, 'generating their own income is the way for universities to realise their autonomy granted by the University Act' (MOE, 1995), have often been mentioned in government documents in both countries. Also, there are academic arguments regarding the relationship between university autonomy and funding. For example, academics, like Archer (1984), Caglar (1993), and Goedegeburre, *et al.* (1994), argue that institutional autonomy can be enhanced or protected through diversifying university funding bases. Kerr (1995) believes that a single main source of university funding means a single source of control, which risks turning an influential relationship into a really dangerous partnership, and can easily threaten university autonomy (p. 56).

In spite that the arguments, above, are not backed by empirical studies, they are often treated as given, and suggest that the relationship between university autonomy and diverse funding is straightforward. The researcher, however, doubts about their adequacy for explaining the experience of higher education in certain countries, like Taiwan. The present study hopes to provide empirical data to explore, more deeply, an understanding of the relationship between university autonomy and funding in England and in Taiwan.

Another main reason for choosing England and Taiwan as case studies is the researcher's accessibility to the former and her familiarity with the latter. Studying higher education in Britain provides the researcher a chance to gain access to the key people, seminars and lectures, and much information pertaining to changes in higher education. Ph.D. training and this accessibility of sources and other material sharpen the sensitivity of the researcher in understanding why the changes can be so radical, in a system with such a long tradition of university autonomy. On the other hand, recent changes in higher education in Taiwan contrast, albeit interestingly, with those in England. The researcher's familiarity with Taiwan clearly increases the feasibility of this study. In addition, most of the – reasonably plentiful – research regarding the idea and practice of autonomy in England has focused on historical analysis, but has seldom included any empirical work. This study, it is hoped, will provide British scholars with the chance to see their own situation from a Taiwanese perspective. With regard to Taiwan, this study will be the first empirical study, to explore the contextual definition of university autonomy and the relationship between university autonomy and funding. Thus, this comparative study of the two contrasting systems hopes to shed some light on the contextual factors involved in understanding the concept of university autonomy and government-university relationships, and then the relationships between university autonomy and funding.

1.3 Objectives of the Study

I). Critically to examine the idea and the practice of university autonomy in England and in Taiwan.

II). To re-interpret the changing relationship between the government and the

university, in both countries, by employing the notion of 'boundary'.

III). Theoretically and empirically to explore the relationship between university autonomy and funding.

IV). To explore the usefulness and applicability of the concept of 'contractual autonomy' for understanding university autonomy.

1.4 Research Questions

Based on the objectives of this study, the following research questions will be addressed in this study:

For achieving **Objective I.**:

I.1. What is the idea of university autonomy as it has developed in England?

I.2. What is the idea of university autonomy that is developing in Taiwan?

I.3. What is the empirical pattern of the practice of university autonomy in England and in Taiwan?

I.4. What are the similarities and differences in terms of the idea of and the practice of university autonomy in both countries?

For achieving **Objective II:**

II.1. What changes occur in the boundaries between the government and the universities in England and in Taiwan?

II.2. What are the similarities and differences in changes in government-university relationships (boundaries) in both countries?

For achieving **Objective III:**

III.1. What implications do funding changes have for university autonomy in England and in Taiwan?

III.2. What are the similarities and differences in the relationship between university autonomy and funding in both countries?

For achieving **Objective IV:**

IV. 1. How far do universities in both countries view the applicability of 'contractual autonomy' to a description of the autonomy which they have now?

The argument of this thesis is, in brief, that the relationship between university autonomy and funding of a given country cannot be understood simply in terms either of the resource dependence perspective, or of a judgement of the degree of university autonomy against funding mechanisms. Instead, it must be interpreted in the context of government-university relationships more generally, and of the context of the idea of university autonomy in that country. In other words, the government-university relationship and the idea of university autonomy, involve more than a financial tie. As a consequence, greater efforts on the part of universities to diversify their funding bases may well not enhance, or at least not directly, their autonomy.

The background of the study has been sketched out in this chapter. Chapter 2 considers the theoretical framework concerning organisation theory and comparative higher education. Thereafter, there are explorations of the concepts of university governance, university autonomy, funding, and government-university relationships, and their practice in England and in Taiwan, covering chapters 3, 4, 5, and 6. The methods of questionnaire and interview have been selected to allow this study to provide not only a broad, but also an in-depth, understanding of the empirical situations of university autonomy, and its association with funding, in both countries. Research methodology, and empirical findings, are presented, in Chapter 7 and Chapter 8, respectively. Finally, there is a drawing-together of empirical findings and theory, for discussion with final conclusions, in Chapter 9.

Chapter 2

Theoretical Framework

2.1 Introduction

In this study two main types of theory on organisations and on comparative higher education, form the theoretical framework for exploration of the relevant concepts concerning university governance, university autonomy, funding, and government-university relationships, and their practices in England and in Taiwan. The main purpose of the examination of organisation theory is to identify what organisational characteristics of universities can claim autonomy, if Kogan (1984) simple assertion that university autonomy 'is supported by *beneficial myths*... to the social and individual good if institutions are allowed, on the whole, to go their own way' (p. 72, italics added), needs further explorations. Since the study is a comparative study on higher education in two countries, the second main area of theory should be, and is simply, the theories of comparative higher education.

2.2 Organisation Theory

Organisation theory aims to understand the type, structure, nature and characteristic of organisations. There are two distinctive aspects of organisation theory: one focuses its attention within an organisation, and the other emphasises the relationship between an organisation and its environments. Some organisation theorists, like Blau (1974), have contributed to the former. Blau (1974) detailed informal processes within organisations, as well as the formal structure of general organisations, in his book, *On the Nature of Organizations*. Some organisation theorists, like Pfeffer and Salancik (1978), emphasised the interaction between an organisation and its external context, when exploring the dynamic nature of organisational behaviour and the process of change. It seems reasonable that the Blau-like aspect of organisation theory should be the base for other organisation theorists to explore how an organisation might interact with its environment. The second aspect of organisation theory, however, helps to trace the reasons for, and explanation of, interaction between an organisation and its environment, back to the nature of an organisation.

Likewise, the understanding of universities can be approached along two dimensions. On one dimension, the internal structures of universities are researched. Inevitably, they share some characteristics of general organisations, as described by Blau (1974). Also, the differences between universities and general organisations are often mentioned. Familiar descriptors, such as an open system, or 'a loosely coupled system' (e.g. Cohen and March, 1974; Weick, 1976; Baldridge *et al.*, 1978), or a community (e.g. Massy, 1994), are used. However, such general descriptors need further explorations so as to yield understanding of the complexity and uniqueness of a university.

Though Blau (1974) does not treat universities as unique organisations, he recognises its complexity, with varying conditions of academic life influencing the orientation of faculty members to work in their disciplines, and to their own institution. By contrast, Clark (1983b) indicates the uniqueness of universities - knowledge and the three basic elements – work, belief, and authority – which have provided some insulation for a university from external control and 'strengthened hegemony over certain tasks and functions' (p. 3). Thus, he insists that understanding of higher education systems, is required for a 'retreat', to some degree, from general organisational theory in order to identify the university's own ways of dividing work, promoting belief, and distributing authority, as well as its own ways of changing. More directly, academics, such as Neave and van Vught (1994), argue that institutional autonomy is singled out as a defining characteristic of universities.

However, it cannot be denied that there are more and more challenges to the arguments for taking the organisational uniqueness of universities as a claim for university autonomy. First, the legitimacy of pursuit of knowledge and truth as justifications of universities is questioned in the post-modernism society. As Barnett (2000) argues, 'knowledge and truth... no longer supply a firm framework for the university' (p. 47). Second, increasing external demands are waiting for universities to respond. If universities were self-indulgent, they would be seen as part of problem, rather than part of solution. The contexts which universities operate are more complicated than ever. This leads to the second dimension - understanding the context in which universities operate, which has been recognised as another important access to understanding of universities themselves. As Archer (1979 and 1984) stresses, the shape of an

organisation cannot be cut from where it originated and the context with which it interacts. In relation to higher education systems, Becher and Kogan (1992) echo Archer's statement (1979) that the shape of a higher education system is 'as much a consequence of historical accretion and continuing transactions across institutional boundaries as it is of long-term rational planning' (p. 2).

Thus, in addition to understanding what distinctive features of an organisation make a university claim its autonomy, it is necessary to explore the contextual meaning of university autonomy through examining the contexts in which a university system operates. Among organisation theories, the resource dependence perspective and the concept of boundary are selected because they are more relevant to understanding the relationship between the university and environmental agents.

2.2.1 Resource Dependence Perspective

Resources always play a crucial role in all organisations. The importance of resources has long been studied in organisation theory. In resource dependence perspective, the work of Pfeffer and Salancik (1978) and the work of Archer (1979) have many points in common, but the latter focuses merely on educational institutions. The points from the former have often been cited. Pfeffer and Salancik identify three major criteria (pp. 46-51) which are critical in determining the importance of resources to an organisation. The first one is the extent to which the organisation requires it for continued operation and survival. The second is the extent of discretion over the allocation and use of a resource possessed by other social actors. While an environment is dense with organisations and interest groups with a variety of laws and norms, discretion over resources given to the focal organisation is rarely absolute. More commonly, there are degrees of shared discretion. The third determinant is whether an organisation has access to resources from additional sources, that is, the extent to which the focal organisation can substitute sources of a given resource.

Pfeffer and Salancik's perspective has thrown a light on why organisations need to interact with their environment and how they react to organisational environment. Unlike other organisation theorists on higher education, however, they do not treat a university as a special type of organisation. Despite this, their idea has been adopted by

academics, like Slaughter and Leslie (1997), to explain the relationship between the university and its resource-providers, since this perspective suggests that the resource-dependence relationship between universities and the government, conditions the realisation of the idea of university autonomy.

Regarding the relationship between resources and autonomy, Blau (1964) has argued that one party may be or become the subordinate of the other because of its dependence on it for the supply of resources or services. By the same token, Pfeffer and Salancik (1978) hold the view that those who provide resources to organisations have the capability of exercising great power over those organisations. Arguably, Slaughter and Leslie (1997) suggest that resource dependence theory can be simplified into one well-known phrase, 'he who pays the piper calls the tune' (p. 68). Thus, it is understandable that an observer, holding the resource dependence perspective, would deny 'the validity of the conceptualization of organizations as self-directed, autonomous actors pursuing their own ends', and, instead, argue that 'organizations are other-directed, involved in a constant struggle for autonomy and discretion, confronted with constraint and external control' (Pfeffer and Salancik, 1978, p. 257).

However, such a denial confronts two challenges. One concerns denial itself on the aspect of 'self-directed' or 'other-directed', and the other is from empirical examples. When Pfeffer and Salancik deny the validity of the conceptualisation of organisations as self-directed, they may make a blunder in employing Weick's conception (1969) to argue that an organisation 'enacts' rather than 'reacts to' its environment, since the events in the environment do not present themselves to an organisation 'with neat labels and interpretations'; rather, an organisation gives meaning to them (Pfeffer and Salancik, 1978, pp. 72-74). This means that an organisation is able to interpret the signals before it acts. If this is the case, an organisation, to some extent, is 'self-directed' rather than 'other-directed'. Instead of arguing that it is either 'self-directed' or 'other-directed', it might be better to argue that organisation can be 'context-aware'. The previous argument can be enlightened by reviewing debates over the issue of whether university reform is more effective when it is initiated from within or from without. While academics, for example, Russell (1993), argue that the university is an organisation with distinctive features, they are likely to argue that if universities want to be reformed effectively, this reform should be initiated from within, rather than from

without. In fact, it is clear that there are opposing views about such statements, for example Hamilton (1853) who had observed, at the end of the nineteenth century, that 'universities, like other corporations, can only be reformed from without' (cited in Lyons, 1983, p. 113).

Is autonomy gained from constant struggles? Historically, the European medieval universities were granted autonomy, but they were not necessarily involved in a constant struggle for autonomy because two forces - the church and the state, fought each other for them. Second, there are examples that demonstrate that those who provide resources to universities may not seek to exercise control over universities, as shown in the establishment of the buffer principle in the funding mechanism in the UK. Third, in contrast to the second point, there are also some examples that demonstrate that those who exercise control over universities may not be those who provide resources to universities. Such examples include the private universities in Taiwan, which have been controlled in many respects by a government that is not their main resource-supplier.

Resource dependence perspective may help to explain part of the possible relationship between universities and resource suppliers since the relationship between universities and resource suppliers is not necessarily the – linear – one that those who supply resources to universities, are those who have control over them. Involved in the relationship are, also, other social, cultural, and political factors. Thus, the resource dependence perspective is not cogent enough to explain some exceptional cases, where universities are given abundant resources and discretion, by one dominant resource supplier, and at the same time, forming a contributory factor in realising the idea of university autonomy. An example can be seen in Archer's analysis of British universities during the period 1945 to 1964, highlighting how British universities avoided the inherent contradiction between university autonomy and funding by arriving at a better bargaining position,

> *....industrialists were convinced of their need for research and manpower services... the state... endorsed expansion... on the assumption that this would automatically strengthen the economy... Academic expertise had never been more sought after and private finance flowing to the universities reached new peaks in*

the 1950s... the academic could finally afford the luxury of a conscience – forgoing particular transactions without threatening their own survival and giving priority to intellectual considerations in development decision. (Archer, 1984, pp. 149-150)

With the function of strengthening the economy of the nation, the British universities, particularly the 'old' universities, were given the discretion of governing themselves, by government. This probably gave them the possibility to seize the chance to accumulate necessary capital, both physical capital and 'academic capitalism' in Slaughter and Leslie's words, to cushion themselves against changing government funding, and to claim, or to continue to claim, autonomy through the 1980s. By contrast, with the same purpose of strengthening the economy of a nation, the development of the university in Taiwan was completely controlled and directed by central government. Consequently, university autonomy has been neglected for a long period. However, rather than being mainly a contribution to the maintenance of university autonomy, government funding in Taiwan has been mainly an element, and a crucial one, for the survival of national universities. The differences between two countries stem from differences in context factors, and this leads in to the discussion of the concept of 'boundary', below.

2.2.2 Concept of Boundary

Drawing the boundary around a social system is a perplexing problem, because of its complexity, it rarely being clear what is to be included and excluded. Not only are organisations not neatly bundled, but also their contextual factors can alter over time. Despite the difficulty, some organisation theorists, like Haberstroh (1965) and Downs (1967), suggest that drawing organisational boundaries can be treated as a matter of analytical convenience. This suggestion, treating the boundary drawing as an 'analytical convenience', is useful, when comparing the government-university relationships in England and in Taiwan.

The boundary is 'where the discretion of the organization to control an activity is less than the discretion of another organization or individual to control that activity' (Pfeffer and Salancik, 1978, p. 32). Compared to other education institutions, universities are more able to claim autonomy, since their activities, centred on disseminating, extending

and advancing knowledge, are less susceptible to be controlled by the government, or other social actors. However, two challenging points arise. First, on one level, knowledge is the lifeline of a university, but this lifeline needs a range of inputs to maintain it. Thus, when the development of knowledge is increasingly conditioned or guided by the availability of resources, universities have to re-interpret their boundaries with the external environment, even though the boundaries between universities and external environment are rarely clear-cut.

Second, advanced development and widespread utilisation of information technology, proliferation of knowledge, and the rise of post-modernism thinking, have enlarged the number of participants beyond the university, in defining what knowledge counts as important. If Mayor's description (1993) that the modern universities, 'like Alice in Wonderland, have to run very fast indeed in order to stay where they are (p. 6)' is true, how do universities respond to these challenges or how do they transform themselves in order to come to terms with the new situations?

Several higher education theorists, such as Slaughter and Leslie (1997), Clark (1998) and Gibbons (1998), suggest that universities need to become entrepreneurial in order to gain the best chance in protecting their expertise and prestige, and to recover the lost autonomy at a time when mounting demands begin to dominate the capacity of universities to respond. Clark (1998) also argues that 'the new autonomy is different from the old' (p. 146). What is an entrepreneurial university? Based on open system theory and maintaining a state of creative equilibrium with the organisational environment, such a concept of the entrepreneurial university has been elaborated in the US (Davies, 1987). The concept of the entrepreneurial university means that the entire university, its internal departments, research centres, faculties and schools, should have:

> *...a willful effort in institution-building that requires much special activity and energy... An entrepreneurial university, on its own, actively seeks to innovate in how it goes about its business. It seeks to work out a substantial shift in organizational character so as to arrive at a more promising posture for the future. (Clark, 1998, p. 4)*

However, should 'entrepreneurial' become one of the organisational characteristics of a university, in order to protect or maintain its autonomy? The responses to such arguments vary. For example, Becher and Kogan (1992) suggest that such a concept 'does not fit comfortably within the dominant UK tradition', despite recent developments, such as science parks, technology transfer, and exploitation of institutional resources in the market place. It could be argued that a university might gain greater autonomy from the government, but meanwhile it might lose autonomy, to some degree, in the market place. Such a conclusion that the 'entrepreneurial' university is the key to recovery of the lost autonomy should be arrived at with caution. However, Clark's emphasis (1998) that the new autonomy is different from the old one is agreeable. In turbulent times, the university has to earn its autonomy rather than passively be given it.

In a real sense, the 'boundary' concept has been adopted and applied in interpreting dynamic government-university relationships by many scholars, for example, Neave (1982 and 1988a), Tight (1992), Russell (1993), Tapper and Salter (1995), and Kogan (1996a). Among them, Neave has a particular insight and argues that no matter what model be, adopted to explain the government-university relationship and the concept of university autonomy, the concept of 'boundary' is involved. The notion of boundary suggests that government-university relationships are dynamic and undergo constant alternation and flux. It is regrettable that this concept has not received any deeper exploration, or sufficient attention. Clearly, the researcher's motive in exploring the 'boundary concept' (see Chapter 6) is to seek a more comprehensive and contextual interpretation of the government-university relationship, to make the government-university relationship in different countries comparable.

2.3 Comparative Higher Education

During the past two decades, the area of comparative higher education has begun to attract increasing attention from a considerable number of scholars, policy-makers, and intergovernmental and non-governmental agencies. Issues such as university governance, the relations between the university and the government, university autonomy, academic professions, the students, and finance in different countries, have

been researched. Nevertheless, the development of research in this field was not too promising and the existing literature on higher education left much to be desired, as Clark said in the early 1980s, since most scholars with new perspectives, such as organisational theorists, political scientists and sociologists, came into this field, but 'all too briefly and soon to wander away' (1983b, p.1).

Since the time of Clark's comments, a rich literature and set of ideas have developed, in the study of higher education. However, the development has been unbalanced, since most studies have focused on the developed countries. Higher education systems in the developing countries and emerging industrialised countries, have received much less attention. Since the early 1990s, however, part of research attention has been extended to the development of higher education in these countries. Comparative higher education has been recognised, more, as a significant approach to examining both national developments in the international context, and the widespread effects of globalisation.

2.3.1 The Nature, Purpose and Problem of Comparative Study

With regard to comparative study, the first question to be asked is on the nature of 'comparison'. Comparison is a way of thinking. It is intellectual, as an old Chinese saying goes, 'by comparing with others, you can know anything that you do not know'. The study of Goedegebuure and van Vught (1996) reviews definitions of comparison from different disciplines.

> *Almond (1966, p. 878), a political scientist, calls comparison, 'whether it be in the experiment, in the analysis of the results of quantitative surveys, or in the observation of process and behaviour in different contexts in the real world... the very essence of the scientific method'.*
>
> *Smelser (1976), a sociologist, suggests that all scientific method is comparative.*
>
> *Geertz (1983, p. 233), an anthropologist, has observed that it is through comparison that whatever heart we can get to, can actually be reached.*

From the definitions above, it might appear that social scientists share a broader agreement, that is, that all social scientific methods are comparative. However, Goedegebuure and van Vught (1996) argue that 'the terms comparative method and comparative studies usually are reserved for' a specific study. On the question of what the characteristics of such a specific type of study might be, the answer remains open, since 'the literature on comparative analysis offers no agreement on' it (Goedegeburre and van Vught, 1996, p. 371).

It seems that agreement is decreasing rather than increasing. Holmes (1985) and Olivera (1988) observe that the consensus on comparative methods and theory disappeared during the middle of this century. According to Holmes (1985), the consensus on comparative methods until about the 1960s no longer exists (p. 344). The existing methodology, such as those of positivism, inductivism, cultural relativism, and phenomenological study, are challenged. Even Holmes' own 'problem-solving' method has been accused of creating 'an identity problem for comparative education' (Hurst, 1987). Olivera (1988) observes that the theoretical consensus, emphasising that the contexts of the school - historical, social, cultural - were more important than what happened inside it, for understanding national systems of education, has disappeared in the middle of this century (p. 325).

This thesis is not primarily concerned with arguments regarding methodological debates in the field of comparative education. However, it is important to adopt the comparative format for this thesis, because it is believed that, as Broadfoot (1977) argues, 'the comparative study of education is a context, rather than a discipline, which allows for the interaction of perspectives arising out of a number of social science disciplines' (p. 133). (cited in Crossley and Broadfoot, 1992, p. 102) It has been argued that a proper comparative study can achieve desirable purposes, including, 1) to deepen one's understanding of our own education and society and one's appreciation of the differences within and between national systems in the international community; and, 2) to better understand the relationships between education and the broader social, political, and economic sectors of society. It should avoid merely transplanting other foreign systems into one's own country, since to do so is dangerous and ultimately doomed to failure, but it does help to understand a given education system in its own context.

While the usefulness and practicality of comparative study is emphasised, the misuse and abuse of comparative study should be carefully dealt with. Crossley and Broadfoot (1992) identify nine problems of research in this field. There is no need to detail them, but several main aspects are worth mentioning: 1) dangers of false comparison; 2) dangers of ethnocentric bias in the interpretation of findings combined with the difficulties of establishing cultural and contextual sensitivity; and, 3) the ethical issues and the dangers of cultural imperialism (Crossley and Broadfoot, 1992). If the comparative research succumbs to one of the dangers, the study will create misunderstanding rather than promoting mutual understanding and appreciation.

2.3.2 Development and Research Trends in Comparative Higher Education

From the accounts above, a comparative study can be recognised as a process of gaining knowledge about foreign education systems in order to gain a better understanding and appreciation of one's own system. Without question, the field of comparative higher education also promotes such a purpose. Altbach (1979) suggests that the emergence of this field is related to the expansion of higher education in the post-war era, and increasingly visible problems of higher education after expansion, for example, soaring costs, the tension between university autonomy and accountability, and the need to diversify higher education institutions in order to meet increasing demands for higher education. Clearly, seeking solutions for the above problems stimulated research on higher education. Although no country can solve problems by directly borrowing from the experience of others, one conviction for such research is that it can perhaps benefit a given country by an examination of different approaches to common problems in other countries. Given the usefulness and practicality of the research, the development of comparative higher education is heavily policy-driven or action-oriented (Burn, 1972; Altbach, 1979; Goedegebuure and van Vught, 1996).

Clearly, the growth of research on comparative higher education is also stimulated by the increasingly important role of higher education, which is moving to the centre of the knowledge society, and represents a key locale of research production. However, one more important thing related to its emergence cannot be underestimated, that is, the financial support provided by national and international agencies, as happened with the development of other fields, such as comparative public administration and comparative

policy studies. Key resources, such as, research funding, journals, the establishment of research centres on higher education, became available and allowed this field to have a chance to grow.

There were some earlier seminal comparative higher education studies during the emergence of this field, such as Flexner's Universities, American, English, German (1930); Ashby's Universities: British, Indian, African (1966), and the like. One intriguing phenomenon remains. Although universities have existed for a long time, and devoted themselves to lots of research on many social areas in this century, research on universities themselves, until the late 1970s, was scarce. Even though there are some studies, for scholars, it was still a passing interest and did not attract widespread interests from social scientists, as Altbach (1979) and Clark (1983b) observe.

Altbach (1979) is one of the important figures in this field, and provides the first synthesis of research trends and development of bibliography in this field. He has summarised several common limitations which appeared in the earlier writings in this field. First, they were descriptive in nature, reporting on visits to various higher education institutions. However, many of the comparative studies have been carried out by analysing secondary materials and the early scholars tended to avoid empirical work, because of its high expense and unsolved fundamental methodological problems, among other reasons. Second, they were aimed at instilling an interest in foreign education models for use in the researcher's own nation. Third, they were publicising reforms made in other countries and convincing sceptics that alternative educational policies could work. Promisingly, more recent research has gone beyond these limitations. Several international empirical research projects have been recently carried out in this field, to fill this gap, for example, the study of van Vught and his research team (1989) on governmental strategies and innovation in higher education curricula.

Comparative higher education shares the multi-disciplinary nature of comparative education. Despite Clark's comments as earlier quoted, the research in this field cannot ignore the contribution made by other disciplines, such as history, sociology, political science, and economics. As Goedegebuure and van Vught (1996) suggest, both higher education studies and comparative higher education are subject to the methodological requirements inherent in these other disciplines, in order to understand the phenomenon

(pp. 390-1). The question merits attention - does such a multi-disciplinary nature make comparative higher education lack its own distinctive character, concepts or approach? Before relevant arguments of higher education scholars are investigated, it is useful to refer to the background of the development of comparative education, since the latter is also a multi-disciplinary field. Crossley and Broadfoot (1992) suggest that there has been a very vigorous methodological debate conducted within the literature in recent years (for example, Epstein, 1983; Albatch and Kelly, 1986; Thomas, 1990), and argue that comparative education has its own perspectives, concepts and concerns, as follows,

> *Chief of these are respect for context (at both the macro, societal and micro, institutional levels) in the analysis of education; the examination of the international transfer of educational policy and practice; and for many, an emphasis upon the comparison of educational similarities and differences (between nation-states, within nations, across time or in a global framework). (Crossley and Broadfoot, 1992, p. 105)*

Comparative higher education undoubtedly shares the characteristics of comparative education, but with a distinctive research focus, which is, of course, issues of higher education. However, when the development of comparative education was already in its third phase in the late 1970s, that is, not only analysis and exploration of the contextual factors which give rise to the observable educational scene, but also the advancement of comparative education methods, comparative higher education remained at the stage of description, as identified by Kerr (1978) and Altbach (1979). Also, Teichler (1996) argues that 'higher education research has not been strongly involved in the methodological debate on comparative approaches'. In the 1990s, the observations of Altbach, Kerr, and Teichler still hold true in large part, according to Goedgebuure and van Vught (1996),

> *... despite the common denominator 'comparative', comparisons very often are a second-order element at best. The vast majority of studies does not get beyond the descriptive stage, or at best does so only marginally... (Nevertheless) methodology and explanation at times do appear central in some studies... But clarity of design and methodology still do not dominate the writings in comparative higher education studies. (Goedegebuure and van Vught, 1996, pp. 390-1)*

Nevertheless, these two scholars believe that the development of comparative higher education has been gradually moving to the explanatory analysis, and faces fundamental methodological problems, such as the problem of equivalence, the problem of macro-social cases, and the problem of the lack of independence (pp. 379-380). That these problems have arisen is not surprising to researchers in social science, since the research in this area is never as simple as the experimental method. The latter assumes that the difference in effects, as observed between the control group and the experimental group, is caused by the treatment. Teichler's view, outlined below, indicates that most research in this field can be exploratory, and be more productive in providing unexpected insight, since,

> *...few comparative (higher education) research designs represent the ideal type of setting a research agenda of clearly defined hypotheses to be tested, and if they do so, the study mostly turns out to be too simplistic due to disregard of the complex context. (Teichler, 1996, p. 431)*

In concluding this section, Teichler's criticism of existing studies and his advice for the future work of comparative higher education should be reviewed. Two types of criticism of existing studies have been made by Teichler: first, they aim at analysing a small number of phenomena, and at testing causal relationships among a limited set of variables. Such an analysis tends to produce completely dissatisfactory results which are often regarded as trivial and misleading. Second, there is a too strong reliance on description and collection of curiosities, as well as on inductive processes of establishing concepts; and such studies are often criticised as being prone to a-theoretical accumulations of unexplained facts. Teichler reminds researchers of taking 'a position both to test their prior assumptions and to enrich their concept heuristically with the help of unexpected findings' (p. 450). After reviewing several comparative projects, Teichler (1996) still calls for more substantial empirical work. Thus, this comparative study on the relationship between university autonomy and funding in England and in Taiwan hopes (if possible) to contribute to the empirical aspect of study of comparative higher education.

In this comparative study, four main themes of higher education are identified as the bases for comparing similarities and differences between England and Taiwan, namely, university governance, university autonomy, funding, and the government-university relationship. The reasons for highlighting these four main themes are explained here, before moving to the next section. First, despite this argument that university governance is secondary in this thesis, there is a need to describe how the higher education systems are organised and governed, and to examine what implications the changes in governance culture have for government-university relationships. Second, the changing idea of university autonomy is the first central issue under investigation. Third, the present funding policies in both systems are different from those of the past, which may have important implications for university autonomy. Finally, as this thesis argues (see Chapter 1), the examination of government-university relationships should be involved in understanding the relationship between university autonomy and funding.

Finally, notwithstanding that there are still vigorous debates concerning the relevant comparative methodology, for the purpose in hand, Bereday's four-step comparative methods (1964) - description, interpretation, juxtaposition and comparison, will be employed in subsequent chapters. However, the mode of comparison will be 'illustrative comparison' rather than 'balanced comparison', because of the different development background of both systems, and so, it is hoped, avoiding false and misleading comparisons.

Chapter 3

University Governance

3.1 Introduction

Examination of the issue of university governance brings operational practices out into the open, and allows investigation of concepts and symbols relating to the organisation and running of universities. As Bargh *et al.* (1996) suggest,

> ...how governance is conceptualized and operationalized within universities is closely connected to changing organizational and symbolic arrangements within the host society. (Bargh et al., 1996, p. 40)

This chapter aims to examine and compare university governance in England and in Taiwan, and begins by exploring the concept of university governance, including: 1) the distinction between university governance and management; and, 2) the governance culture of the university. Next is an examination of university governance in each country, with further comparison of the following: first, against what background is university governance, discussed, as an issue? Second, what changes, if any, are occurring in the culture of university governance, and what are the implications for the debate on the government-university relationship and on university autonomy?

3.2 Concepts concerning University Governance

3.2.1 The Distinction between University Governance and Management

It is common to assume that readers already know the differences between governance and management, in the context of higher education. Some scholars, therefore, do not make any attempt to identify any distinction before they proceed to discussion of the issue of university governance and management. However, there is a need for this study to clarify the distinction between governance and management, as, while the terms are distinguishable in English, they are 'semantically' the same in Chinese. Also, while the

concept of governance might be distinct from the concept of management for English universities, this has not been the case for Taiwanese universities, because the life of the latter was penetrated by government intervention.

Examining the original derivation of this word 'management', makes it easier to clarify the difference between it and governance. 'Management' implies control, for the word 'management' is derived from the Italian *maneggiare* (to control), and ultimately from the Latin *manus* (hand), to describe the process by which one person controls the actions of another person or a team (Farrington, 1994, p. 201). However, governance is a broader concept than that of management. University governance is defined as the manner in which university systems and institutions 'are organized and managed, how authority is distributed and exercised, and how both systems and institutions relate to governments' (Harman, 1992, p. 1280). Also, university governance refers to conceptual issues of relationships between the government and the university (Becher and Kogan, 1992).

The study of Bargh *et al.* (1996) offers a useful quotation from Tricker (1984, p. 7) which sheds some light on this issue. Tricker said that 'if management is about running business, governance is about seeing that it is run properly'. Management is often used to refer to institutional managerial behaviour, such as systematic planning, organisation and control to achieve organisational objectives through the efficient and effective operation of resources; university governance to refer to the relationship between central authorities and individual institutions.

Although governance and management are conceptually different, and the difference is open to study, the two indubitably overlap operationally (Bargh *et al.*, 1996, p. 38-9). Despite this operational overlap, as far as a university is concerned, an argument for autonomy conventionally means an argument for self-governance rather than self-management. This might reflect certain assumptions, that a university should manage its own affairs, or run its own business, and that governments are willing to keep their distance. While no one would deny the right of governments to check whether or not a university has run its business properly, normally, this task is expected to be done through university governing bodies or trustees, rather than through direct governmental interference. Regarding government attitudes towards the university, it is assumed that

it is more proper for governments to take a supervisory, rather than a managing, role.

3.2.2 Governance Culture of a University: Pattern, Role and Composition

Through examination of the functions and composition of governing bodies, Becher and Kogan (1992) believe that various assumptions about the relationships between higher education and society can be revealed. More specifically, Bargh *et al.* (1996) argue that the nature of the relationship between universities and their paymasters, generally their government, shapes patterns of university governance. They suggest that, if the university-paymasters relationship is relaxed, the role and responsibilities of university governing bodies will be enhanced; but, if it is prescriptive, governing bodies are constrained, and the autonomy of universities becomes similarly constrained. Thus, understanding university governance starts to pave the way for detection of the host society's expectations of, and its interactions with, its universities, which influence the idea and practice of university autonomy.

In the literature, one of the main keys to investigation of this issue is to locate sources of authority and the type of decision-making, from an organisational perspective. Among them, Clark's endeavour in the field of governance of higher education merits attention. After addressing some fundamental questions concerning authority, such as 'Who rules? How do the many academic groups articulate their interests?', Clark (1983b) identifies three main forms of authority in the higher education system, as well as four national modes of university governance. Three broad forms of authority in an academic organisation are rooted primarily in disciplines, enterprises and in systems as a whole. The four national modes are: the (European) continental mode (a combination of faculty guilds and state bureaucracy); the British mode (a combination of faculty guilds with a modest amount of influence from institutional trustees and administrator - in the form of the vice-chancellorship); the American mode (like the British, but a combination of weaker faculty guilds with stronger institutional trustees and administrator); and the Japanese mode (in leading national universities, it exhibits characteristic of the continental mode; in private universities, the American mode.) Clark's categorisation can be a valuable framework in seeing how different arrangements of authority affect the way that systems operate (p. 131).

No matter what models of university governance are identified and proposed, none is perfect enough to be applied directly, without modification, to explanation of university systems in any country. This leads this discussion to another classic argument among different governance models. For instance, based on the notions of community, position-based authority, and pluralist politics, several main models of university governance - the collegial model, the bureaucratic/ managerial model, and the political model, have been proposed.

The collegial model of university governance is characterised by features such as: collective academic decision-making for common interests; a sense of academic community; the faculty being influential; self-governance; and, also, implicitly, having 'little direct of government interference in the governance of higher education' (Tapper and Palfreyman, 1998). The authority of the collegial model resides in expertise and knowledge. By contrast, the bureaucratic/ managerial model emphasises features such as, 'stratifying power and authority according to assumed function and ability' (Becher and Kogan, 1992, p. 138). Its authority is legal-rational and position-based. Albeit implicitly, a political model of university governance is also observed by academics, such as Baldridge (1971). The model of governance is conceptualised as a political process in organisations marked by the presence of multi-interest groups whose views and values are competing - and are often contradictory - concerning a range of university issues. Individual models have their strengths and flaws, and embody values.

While universities are recognised as highly academic and professional organisations, in the literature on university governance, the collegial model tends to be preferred, since its ideas are assumed to be more congenial to the traditional values of academic freedom and university autonomy than those embodied in the bureaucratic/ managerial model. Nevertheless, in reality, university governance is being increasingly exercised by managerial bodies/ bureaucracies, and by political forces (Rhoades, 1992, p. 1382). The classic arguments for favouring the collegial model, and disfavouring the bureaucratic model, have been well rehearsed. However, among the academic community, reasons for dislike of the bureaucratic/ managerial model of governance in higher education may be rational. For example, academics, such as Clark (1983b) and Becher and Kogan (1992), express their fear that such governance is likely to harm and distort the academic and intellectual nature of a university.

The emergence of a new regime of bureaucracy/ managerialism in university governance, as Bargh *et al.* (1996) indicate, cannot avoid being interpreted as an evidence of a lack of trust between the government and the universities (p. 39). Interestingly, if 'governance models are a central element of the ideology and power' as Rohades (1992) suggests, the rise of managerialism reflects the reality that government authorities are becoming more interventionist towards universities, and more reluctant to leave their activities largely in the hands of either professionals or the market. Governments tend to impose more mechanisms to monitor how universities run their business. Then universities might spend more time coping with such bureaucratic requirements. The president of the Committee of Vice Chancellors and Principals (CVCP), Professor H. Newby, has given out an impression of how much volume of work and preparation can be involved in the current system of teaching quality assessments, and he supports universities' call for 'a lighter touch'. He said,

> *... a single subject appraisal in an individual university often generates around 150 box files of documents and requires several months' preparation. Multiply this 30 or 40 times for a typical university. (Guardian, January 25, 2000)*

Under the greater burden of management and accountability, it seems reasonable to conclude that university autonomy is constrained. However, the question as to how far the collegial model carries the 'real' idea of university into reality, deserves asking. If deeper thought is given to the question – which groups were continually excluded from the collegial model? The reasons above would be hard to justify. The study of Luke (1997) is worth reviewing, though her topic focuses on quality assurance and women in higher education. She observes that though quality assurance brings in certain negative consequences, it transforms the culture and management style of a regional university in Australia from being informal and pastor model to one with open systems of accountability and performance targets, which brings new opportunities for 'other groups previously marginalised and silenced' (Luke, 1997, p. 433).

Thus, when the issue of university governance is seen as being related to the balance of power and seen in the context of new ideology in public service (Bargh *et al.*, 1996), it is seen to become more subtle and complicated than its definitions and models imply.

According to the observation of Bargh *et al.* (1996), in the new policy environment the roles and responsibilities of the governing bodies have been shifting from being more symbolic towards being 'real' – overseeing institutional objectives and ensuring that the institution is properly managed in order to fulfil its missions. This shifting is not unproblematic in itself, but has made governance 'sit uneasily between three constituencies' (Ibid.) - central government, producers (higher education institutions) and consumers (students, and employers), and deal with the diverse and potentially conflicting interests among them. Thus, in dealing with the classical argument, Bargh *et al.* (1996) suggest an alternative view that the shift of orgnisational culture of a university towards an entrepreneurial one, can make the tensions and contradictions between the collegial, bureaucratic, and political models less explicit, since the entrepreneurial university functions as a living organism, undertaking 'a continuous process of adaptation and change' (p. 33).

The discussion now moves to examination of the assumption of the usefulness of the device of governing boards, or called 'board of trustees' for private universities, and 'board of regents' for state ones, in the US. It should be noted that whether universities have such formal arrangements as governing boards or not, they all have governance issues to deal with. However, according to Clark (1983b), higher education systems with or without trusteeship will have different impacts on how the institution responds to external changes and demands. The device of governing boards refers to how the interests of various public constituencies or audience, have been articulated. In systems that do not have trustees, as Clark has analysed (1983b, p. 117), public interests are legitimately pursued through mainline governmental channels, which make the university more vulnerable when political power encroaches on the university.

However, Clark's argument for the usefulness of governing boards faces inevitable challenges from those university systems with governing boards, but where the latter are under government control, where the trustees are there to channel, or even impose governments' will on universities. During the rule of Alexander III in the nineteenth century, for example, Russian universities lost their previous freedom and came under the heavy control of trustees (Verbitskaya, 1996). It also faces another challenges from those university systems without governing boards. In certain countries in Europe, university governance is weakly developed since universities are state institutions that,

in administrative terms, 'could not be distinguished from the rest of the government machine', but their universities, in practice enjoy 'considerably greater autonomy' (Bargh *et al.*, 1996, p. 165). These examples suggest that Clark's argument needs further empirical testing.

What roles do the governing bodies of universities play? What interests, among which parties related to the university, do they represent, especially when the governing bodies are entrusted with public funds? Some scholars, such as Ball (1994) and Deem *et al.* (1995), argue that the roles of governing bodies are 'steering at a distance', and represent interests from the government and themselves. Some scholars also pay attention to how governing bodies can act as a useful buffer for the universities, protecting institutional autonomy. In Gade's description (1992), governing bodies are 'acting as both a bridge and buffer, interpreting the institutions to the outside world, ensuring that it is responsive to the needs of society while at the same time preserving its autonomy from inappropriate intrusion by that society'. Furthermore, the governing bodies of universities may be seen as the bodies with ultimate responsibility for their institutions, since they are well-placed to concern the viability of their institutions as a whole, compared with other groups in those institutions (Committee of University Chairmen, 1995)

As far as the composition of governing bodies is concerned, there is neither a standard set pattern nor a standard size. In general, the members of governing bodies can be divided into two main categories, namely, external members and internal members. External members may include, and this is a growing trend, those with industrial, commercial, and even educational, backgrounds, and/ or representatives of government authorities. Normally, internal members may include representatives of staff and students. In a broad sense, even though there are some legal or administrative prescriptions, the composition of governing bodies has been left, in some degree, to individual higher education institutions to organise for themselves. In his discussion of the government of higher education, Clark (1983a) raises one important issue concerning patterns of governance: 'What structures of governance help this or that function to operate well?', and 'What governance "fits"?' (p. 27). Clark argues that 'fit is a matter of balance among alternative forms' of governance. This is the main thing to bear in mind, with other contextual factors, when comparing university governance in

different countries.

3.3 University Governance in England: Development and Changes

Concerning how English universities are governed, there are several useful studies and papers, such as Halsey and Trow's *The British Academics* (1971), Moodie and Eustace's *Power and Authority in British Universities* (1974), and Becher and Kogan's *Process and Structure in Higher Education* (1980, and 1992). However, some British scholars, Bargh *et al.* (1996) and Tapper and Palfreyman (1998), still found that there exists a gap, in the existing literature on the governance of British higher education, which needs filling.

Thus, Bargh and her colleagues (1996) carried out 'the first full-length research-based study of U.K. higher education governance' (book jacket). Their book, *Governing universities: Changing the Culture?*, has a deeper and empirical analysis, of how the whole wider context influences university governance in England, since governance culture shifts manifestly from a collegial and consensual one towards a managerial and business-led culture. However, a more recent study, by Tapper and Palfreyman (1998), found that a collegial tradition in the context of mass higher education 'continues to flourish within particular layers or segments of an institution: within research teams, within departments, within faculties, and – of course - within colleges' (p. 157).

After comparing the UK to France and Sweden, Premfors (1980) concludes that government intervention in the area of institutional governance in the UK is limited in character, not only in the university sector, but also in the public sector (p. 88). However, such a picture has changed. Since the 1980s, all aspects of the context within which English universities exist, have demanded that they be more responsive, efficient, effective, and accountable. The governing bodies are no longer 'dignified' or merely 'honoured' components of a university, but are the bodies charged with ultimate responsibility for all the affairs of their institutions.

3.3.1 Development of the University System, and Governance Patterns

With regard to the university 'system' issue, scholars have different views and interpretations. Eustace (1992) argues that higher education in the UK has never fully merited the description of 'system'. However, Clark (1983b) argues that 'British higher education moved firmly into a de facto national system' by observing what elements exist in this system: (1) the Department of Education and Science (DES) took on some of the attributes of a continental ministry; (2) the University Grants Committee (UGC) accountability was relocated from the Treasury to the DES in 1964; and (3) having explicit national policies in higher education (pp. 128-9). Finally, non-university sector, undoubtedly, has been brought into the 'system'.

Generally speaking, the whole system might conveniently be distinguished as having four levels: the central level, the individual institution, the basic unit and the individuals (Becher and Kogan, 1992). For the purpose of this study, regarding the issue of university governance, the first two components of this system are selected as the prime targets for discussion.

The Central Level of the University System

The central level of the system involves 'the various authorities who are charged with overall planning, resource allocation and the monitoring of standards' (Becher and Kogan, 1992, p. 9). The central authorities range from ministerial departments to those quangos, which are authorised by central government, to deal with relevant matters in relation to higher education, such as the Funding Councils and the Quality Assurance Agency (QAA). Central government, therefore, formulates the framework policies and decides what levels of resources to assign for implementing those policies. Having formed the policy framework, the central government hands over authority to its principal quangos dealing with higher education funding and quality affairs.

The Institutional Level and Its Governance Structure

There are several different categories of universities according to their different historical development and foundation. The recent studies on higher education institutions in the UK use a demarcation between 'old' and 'new' universities (for example, Bargh *et al.*, 1996), or 'pre-1992' and 'post-1992' universities (for example,

CUC, 1995). In this study, the 'old' universities refer to those having degree granting power before the provisions of the Further and Higher Education Act 1992 came into force, also called 'pre-1992' universities; 'new' universities refer to those having degree granting power after the 1992 Act, also called 'post-1992' universities. Both pre-1992 and post-1992 universities share fundamental features, such as being legally independent corporations, and being bodies with charitable status. However, the differences of legal instruments and governance structure persist within and between pre-1992 and post-1992 English universities.

The pre-1992 English universities can be grouped into several types: the ancient universities of Oxford and Cambridge; the federation of the University of London; the 'civic' universities founded in the late nineteenth and the early twentieth centuries; the group of universities established in the 1960s, and the Colleges of Advanced Technology which achieved university status following the Robbins Report of 1963. With a few exceptions, most of the pre-1992 universities are chartered corporations. The exceptions include: Oxford and Cambridge, which are governed by specific statutes; and the London School of Economics, which is a company limited by guarantee. Thus, generally speaking, the supreme governing body for pre-1992 universities is a Council.

The councils of the pre-1992 universities are executive governing bodies. The composition of the councils differs, to some degree, one from another. According to Farrington's comprehensive analysis (1994, p. 168), the members can be categorised into 14 types. Basically, there are two broad groups: one is lay members, and the other non-lay members including staff and student representatives. Some appointments of lay members are made by the Court of individual universities, some by local authorities, and some by the council itself. They are generally chaired by the pro-chancellor. Significantly, membership of the university as a corporation extends to all staff and students (Bargh, *et al.*, 1996, p. 24). The university councils are responsible for the university's finances and investments, for the management of the university estate and buildings, and for the oversight of teaching and research, and carry out their functions through committees.

The body in Oxford equivalent to the Council is called Hebdomadal Council, and that in Cambridge is called the Council of the Senate. These bodies do not include any lay element; therefore, most academics, like Halsey and Trow (1971) and Moodie and Eustace (1974), agree that the pattern of the government of both universities can be described as entirely one of self-government, and that government is in the hands of their academic members. This model, of academic self-government, has not been imitated by other universities, but the spirit of academic self-government has been rather influential, particularly during the 1960s.

The post-1992 universities, the former polytechnics and higher education colleges had their diverse foundation backgrounds. However, most of them share rather similar histories in terms of their transformation from former polytechnics or colleges into universities. For example, the 1988 Education Reform Act (ERA) grants them the status of independent higher education corporation, and the 1992 Act allows them to have degree-granting power, and to use the title of university. The 'post-1992' universities are governed by the governing body. Boards of governors, limited to a maximum of 24 and a minimum of 12 members, are appointed under articles of government approved by the Secretary of State for Education. The majority (up to 13) must be 'independent' members, namely, those who are not members of staff or students of the institution or elected members of a local authority. Independent members having experience of, and having a capacity in, industrial, commercial or employment matters, or the practice of a profession, are preferred. The governing bodies in the post-1992 universities are not required to include staff and student representatives, but, as the CUC (1995) recommend, if they deal with exclusion of staff and student representatives, they need to do so with great care. Governing bodies were granted the power to award degrees by the 1992 Act, but by virtue of delegation from the governing body, the academic boards are responsible for the administration of any awards.

In addition to size and composition, the manner of appointment of members of boards of governors, and corporation membership, differ between pre-1992 and post-1992 universities. In the former, some of the lay or independent members of councils are appointed by the Court, some by local authorities, and some by the Council itself. Membership of the corporations extends to all staff and students. In the latter, however,

the independent members of governing bodies are appointed under articles of government approved by the Secretary of State for Education. Corporation membership is confined solely to members of the governing bodies. Besides, more subtle differences exist in the culture of university governance between these two groups of universities (Bargh *et al.*, 1996).

3.3.2 University Governance in England

3.3.2.1 Background to a Re-opening of University Governance as an Issue

It is necessary to examine the background in which university governance has been brought forward, and re-opened as an issue, so as to explore the changing government-university relationship. In the 1960s, it was regarded as axiomatic that efficient university government should be in academic hands. Thus, university councils, particularly their lay members, were relegated to the margins of university government (Bargh *et al.*, 1996, pp. 6-7). Such a government pattern was also supported by the then Department of Education and Science (DES), which also tried to intervene in the governance pattern of the polytechnics and colleges, then controlled by the local education authorities (LEAs). Originally, governance in the public higher education sector was regarded as essentially settled by the dirigiste nature of the LEAs. Significantly, central government, notably in the Weaver Report (1965), required the LEAs to set up separate governing bodies for their polytechnics and colleges, and academic board, to grant them a greater degree of academic self-government insofar as the polytechnics and colleges could be fully accepted as higher education institutions.

Central governmental intervention was clearly successful, through the introduction of the 1968 Education Act. Further, in 1978, the Oakes working group recommended creation of a body analogous to the UGC for local education polytechnics and colleges (Becher and Kogan, 1992). Thus, whether in the university sector, or, to some extent, in the public sector, institutional governance was characterised by the idea of academic self-government before the 1980s.

The key moments at which institutional governance emerged as an issue, start with those of a series of key events in the 1980s, for both university and the public sector.

For the universities, academic self-government was openly challenged by such events as the 1981 university budget cuts, the UGC's interventionism, and the 1985 Jarratt Report introducing the new rhetoric of 'business' into higher education. The rule of the academics was broken when the provisions of the Education Reform Act 1988 came into effect. Subsequently, governing bodies of universities came to be considered as incapable of making their universities more responsive to social, and national economic, needs, and to operate in the market. The issue of university governance was brought into the open, for discussion. These issues also affected Cambridge and Oxford. In November 1987, the University of Cambridge established the Wass Syndicate, chaired by Sir Douglas Wass, to address the complaints that 'the lack of efficient procedures for policy making places the university at a disadvantage' (THES, January 30, 1998, p. 7). In 1994, the University of Oxford set up a similar commission, chaired by Sir Peter North, to examine, in-depth, Oxford's governance structure and how Oxford might be enabled to react flexibly to changing funding arrangements. The North Report was finally published in 1998.

For the public sector, the key period, according to Bargh and her colleagues, was between 1983 when the National Advisory Body for Public Sector Higher Education (NAB) was established, so heralding the advent of central planning and the end of the local rule, and the Education Reform Act 1988, when the polytechnics and colleges were granted the status of independent corporations. Inevitably, in the process of the disengagement from local governments, institutional governance within the public sector was re-opened as a problematic issue, requiring solution, and new mechanisms were proposed to manage the key activities. Notably, the model of governance for these academic institutions was modelled on the governing board of NHS Trusts, Training and Enterprise Councils and other quangos (Bargh *et al.*, 1996). The governors were expected to become agents of a change in culture, within the newly incorporated institutions.

In the 1990s, the issue of institutional governance has been raised in England, reflecting major concerns, in the private and public sectors alike. As Bargh *et al.* (1996) observe, there are growing concerns 'with imperfections in the regulatory framework and some notorious corporate failures' (p. 22) in the private sector, which resulted in the formation of the Cadbury Committee on the financial aspects of corporate governance.

Similarly, in the public sector, the Committee on Standards in Public Life, chaired by Lord Nolan (1995), was also established. As a result of mis-governance problems in 1994 in certain universities, such as, Huddersfield University and Portsmouth University, the universities generally have been 'caught up in the eddies of this turbulence' of the governance issue (Bargh, *et al.*, 1996), and were involved in scrutiny in the Nolan second-round inquiry. The Nolan Committee has suggested that the university governing culture is 'inextricably bound up with wider public policy', not immune from the whole society changes, whether it is political, social, cultural or economic (Nolan, 1995b, para. 4).

The Committee of University Chairmen (CUC) in June 1995, issued four guiding principles to advise the members of governing bodies of universities. Although the guidelines of the CUC can be accepted or ignored, even rejected, by individual universities, at their discretion, they reveal to some extent the expectations of the collective representative bodies, regarding university governance in England. The contents of the CUC's Guide consistently convey the message that if the governing bodies can function well, especially in auditing, the universities can re-acquire much public confidence, which will help recover lost autonomy. A more important reminder for universities is that, according to Bargh *et al.* (1996), the CUC, like the Nolan Committee, favours 'a system of checks and balances that relies on voluntary self-regulation by individual institutions rather than the imposition of national external legislation' (p. 85).

3.3.2.2 Changing University Governance Culture and Implication for Government-University Relationships and University Autonomy in England

The question is often raised and debated - should the normal pattern for university government be lay-dominated, or "donnish dominion"? According to Bargh *et al.* (1996), since the 1960s the dominance of academic guilds has been, imperceptibly at first, then slowly, eroded, and lay-control has been the norm for most of the time and in most institutions (p. 6). They claim that Halsey's argument (1992) of "donnish dominion" being the norm, is misleading.

The title of Halsey's book, *Decline of Donnish Dominion (1992),* implies that in the past

donnish dominion has been thought to characterise the British university, but now this dominion was declining. What does 'donnish dominion' mean? It is not difficult to understand the meaning of 'dominion' as 'authority to rule'. It also, incidentally, implies another interesting meaning, that of self-governing territories of the British Commonwealth of Nations, for example, the Dominion of Canada (Oxford Advanced Learner's Dictionary of Current English). In the dictionary, 'don' means 'senior resident member of university staff' (at Oxford and Cambridge). The 'donnish dominion' - elements of academic freedom and institutional self-government from the traditional academic guilds of Oxford and Cambridge, where the academics held self-governance to be appropriate to their professional status - had been brought to other universities (Halsey and Trow, 1971). Moodie and Eustace (1974) and Eustace (1982), argue that, by 1970, with the extension of the jurisdiction of the senate, it is indisputable that the century had witnessed a substantial move towards internal academic self-government in all major areas of decision-making. Even up to the 1990s, Eustace (1994) still believed that the academic government has become a strong governance culture and firm article of belief in British universities (p. 87).

Having contradictory arguments as regards the same issue is not unusual. For example, while some scholars, like Griffith (1990) and Russell (1993), point out that university autonomy in England was eroded by the abolition of the tenure system in 1988, Tapper and Salter (1995) argue that the decline in the autonomy of the dons has been matched by '*an actual enhancement of the autonomy* of the universities as institutions' (italics added, p. 59). Instead of seeking evidence as to argue which one was the norm, it is suggested that "self-government" has been widely, and still, exercised, but may not be exercised by academics, but by the managerial team at institutional level. The challenges to the previous governance culture, dominated by academics, have become powerful. This reality brought implications for government-university relationships and for the practice of university autonomy.

The context within which English universities operate has become more demanding, in virtually every respect, since the 1980s. Besides the 1981 university funding cuts, of most importance is the publication of the Jarratt Report, which is an initial manifestation of universities' response to policy changes. In the post-Jarratt era, the language of business efficiency (Bargh *et al.*, 1996) and new norms and values have

been introduced into universities (Becher and Kogan, 1992), which are more congenial to lay council members, and explicitly hostile to the collegial and professional values. It seems reasonable to expect that, when the culture of the 'donnish dominion' crumbled, the councils would reassert themselves. According to Bargh *et al.* (1996), it does not appear to have happened yet, or at least not on the scale anticipated. Instead, some power has been channelled into senior management teams headed by vice-chancellors, whose role has been translated 'as leading scholar and *primus inter pares* into the style of chief executive' and the heads of departments have been identified as 'holding a middle management role' (Becher and Kogan, 1992, p. 181) in the post-Jarratt era.

Regarding the rise of managerialism, being part of organisational culture, academics, like Becher and Kogan (1992) and Bargh *et al.* (1996), have expressed arguments against the rise of managerialism since its characteristics are thought to threaten academic and intellectual values. Such fears and concerns have also been expressed by academics from the traditional collegial universities, Cambridge and Oxford. As the result of the 1989 Wass Syndicate Report, the vice-chancellor's office of Cambridge University became a full-time post of five years, with a possible extension to seven years. This represented a change to a long-established tradition whereby the vice-chancellor's term of office was 2-years, the post was held by the head of a college, and was largely ceremonial. Since one of Oxford's strengths, the collegiate nature of the university, has been manifest, the North commission still unavoidably trod on the toes of the central university administration, by setting up a 25-member council as the main executive and policy-making body (THES, January 30, 1998, p. 7).

Another change is easily overlooked. During the transition of the governance culture, according to Scott (1995), some power has been drained away to external agencies, notably the funding councils, or given that the funding council acts as a state agency, one may say, to the government itself. Given that higher education institutions are now recognised as economic resources, the government has taken an active and proactive role in the development of higher education policy, driven, now, by considerations of how to create national wealth. The elite values which stressed the cultivation of people's minds and advancement of their knowledge have been kept, but only as rhetoric in the various reports - the Dearing Report (1997) was one recent example. The

relationship between the government and the university is shifting from the fairly relaxed, towards the prescriptive. Facing such a demanding environment, the university governing bodies are reminded by government agencies not to take institutional viability for granted; instead, they should actively assume their responsibility for ensuring it.

3.4 University Governance in Taiwan: Development and Changes

Unlike in the English case, there are very few useful studies and papers, either in English or in Chinese, concerning how universities in Taiwan are organised and governed. The higher education system in Taiwan has been primarily and substantially influenced by the American model, particularly its organisational structure and curriculum design. However, the idea and values concerning the university governance are unique, since its wide context, and changes in it, have shaped the governance culture.

3.4.1 Development of the University System

There is a need for a brief overview of the history of the development of the university system in Taiwan. It seems clear that the system was being influenced by traditional Chinese higher learning and the foundation of modern universities in China. The history of traditional Chinese intellectual institutions went back over two millennia. The diversity of institutions ranged from the imperial colleges, in which the students prepared for their civil service examinations, to private academies, which struggled for intellectual freedom in certain historic periods, but were vulnerable to closure. As a result of a series of defeats in war at the end of the nineteenth century, the traditional Chinese classic curricula in higher learning were challenged, and the utilisation of Western knowledge, like science and technology, was promoted for inclusion in the curricula. The realisation of a modern university in China, in terms of academic freedom and university autonomy, came with the foundation of Beijing University under the presidential leadership of Tsai Yuan-pei (1917-1923). When the universities suffered much, from a series of civil and foreign wars, from the 1930s on, the university system lacked firm foundations on which to base and develop its idea of the university.

In the early years, the universities in Taiwan were primarily burdened with the mission 'to train high-level personnel for constructing Taiwan as a base and bastion for the recovery of Mainland China' (Law, 1995, p. 324). Due to this special mission, two distinctive features were seen, in this system. First was rigid bureaucratic centralised government, which controlled all the direction of education development. The other main feature was politicisation, which marked the ruling political party's influence on almost all university affairs, such as administration, presidential appointment, curriculum design and students' extracurricular activities.

During the 1980s, Taiwanese society was undergoing a crucial social and political transformation. The social movements for labour, women, education and environment, and so on, were emerging in the years of 1986 and 1987. A great deal of criticism was aimed at centralised control, and the people held frequent demonstrations and protests to demand more freedom and democracy. Real party politics structure started in Taiwan, when the opposition party, Democratic Progress Party (DPP), won an influential status through the election of 1986. Dramatically, the government in 1987 lifted the nearly 40-year-old Martial Law, which had placed very rigid measures and restrictions on newspapers, foreign exchange and politically-sensitive issues. The trend of liberalisation and democratisation put pressure on the government to deregulate and depoliticise the higher education system. The University Act, finally, has faced its third revision since 1948. The newly revised University Act in 1994 and the subsequent Interpretation No. 380 of the Council of Grand Justice (see Appendix 1 for the case detail) can be seen as a chance, given to individual universities, to think about their governance.

The introduction of the present university system

The central authorities of the university system in Taiwan are very different from those in England. The central authorities responsible for higher education in Taiwan are more unified, and do not have any bodies as quangos. Most power and authority on higher education policy are primarily in the hands of the Ministry of Education (MOE), the top education authority. The organs of central government, therefore, formulate the framework policies, and decide what levels of resources to assign for implementing those policies through its bureaucracy mechanisms.

At the institutional level, there are two groups in terms of their legal base and funding mechanisms. One is national universities and the other is private universities. The national universities are not legal entities and are heavily funded by the government. Technically, they are government agencies. By contrast, the private universities are self-financed independent corporations. However, due to the centralised control in the past, the distinction between national and private universities was blurred.

3.4.2 University Governance in Taiwan

3.4.2.1 Background to an Opening of University Governance as an Issue

University governance before the mid-1980 was weakly developed. It never became a contested and debated issue. It never appeared as an issue during the previous two revisions of the University Act in 1972 and 1982. This never meant that the issue of governance for higher education was settled. Basically, the question of university governance in Taiwan had been completely overlooked. Some may argue that the issue had been raised, but the timing was not right and the whole environment did not support raising it.

The national universities have neither governing bodies equivalent to those in English universities, nor independent legal status. Before 1994, they were controlled by the government. The university presidents were assigned by the ministry, and internal structures (academic and administrative) of universities were determined by the government. The differences between university governance and management, mentioned in 3.2.1, were hardly present. As a result of the enforcement of the revision of the University Act in 1994, the central authority released some decision-making power to universities. The ambiguous status of national universities remained unresolved. Whether the government will tackle the problem of the ambiguous status of national universities by granting them a legal corporation status, has raised more serious concerns. The reason to raise this issue is its association with the discussion of the pattern of university governance, and its implication for university autonomy, in Taiwan, legally if not practically.

Daun's study (1997) provides two contrasting arguments among Taiwanese academics regarding granting national universities of legal corporation status. One of them is to argue strongly that, unless the universities are granted legal corporation status, it is impossible for Article 11 of the Constitution, regarding protection of academic freedom, to be realised. The other argument is that awareness of university autonomy should be raised, but that incorporating universities is not the only way to achieve it, since the practice of public law in Taiwan remains too problematic to resolve any conflicts, possibly, occurring between the university and the government. At present, pressures for granting legal corporation status to national universities, have grown, since national universities have been encouraged to generate their own income since the new funding scheme was implemented in 1995. It seems a matter only of time before such status is granted.

Private universities in Taiwan are independent private corporations and have their own boards of trustees. In theory, private universities in Taiwan should have the same rights of any private corporation, which means that they are 'an ideal and legal person, intended to perpetuate the enjoyment of certain rights and privileges for the public benefit' and they also have 'legal existence as a person, with power to hold funds, to sue, and to defend' (Farrington, 1994, p. 27). However, for a long time that they had not been able to function as independent corporations, since the government completely controlled the development of the higher education system. The composition, rights and obligations of the boards of trustees, are strictly prescribed in the Private School Act. Thus, there is little room for them to choose how to govern and organise themselves. The size of the board of trustees has to be kept within the range from 7 to 21. Among them, one third of trustees must have had experience in education. The rights of the board of trustees are to select and appoint the members of board, and to select, appoint or dismiss of university presidents, to examine annual reports, to raise funding, to review the budget, to run and manage the funds and financial audits, and the like.

In the 1990s, chances arose, in the general social and political climate, for private universities to claim back their self-government. The revision of the University Act in 1994, ensured that the university held the power of self-government. The private

universities were allowed to make final decisions on many of their own affairs, except certain issues which needed the MOE approval, or on which the universities chose to report to the MOE.

3.4.2.2 Changing University Governance Culture and Implications for Government-University Relationships and University Autonomy in Taiwan

Before university governance was raised as an issue, even though there were two distinctive types of universities, their culture of governance was unified because it was shaped by the dominant will of the central government. Thus, differences between national and private universities persisted in terms of their legal status, but not in practice. As earlier analysed, since the mid-1990s, universities in Taiwan, particularly for private ones, started to proclaim the right to govern themselves. The legal entity is starting to play an important role in forming different government-university relationships and university governance for national and private universities. Even though the government chooses, slightly, step back from direct exercise of authority over national universities, the latter are more vulnerable than private ones to government interference, since there is no proper buffer for them in situations where political forces encroach on university affairs.

Central authorities are reminded to play a supervisory role concerning university affairs, and to consider the establishment of one independent body to be charged with resource allocation and quality monitoring. At the institutional level, in practice, universities have more say in their government after the passage of the revision of the University Act in 1994. According to Article One of the University Act, they are allowed to self-govern within the legislation and regulations concerned. There are two specific features to be noted, in the gradual formation of governance culture, in which the mixed models (bureaucratic, political and collegial) become apparent at work among governance in both national universities and private ones, but with different impacts. One concerns democratic government; the other is to emphasise the importance of academic self-government (for example, the implementation of the system of professorial rule).

Democratic government, and an emphasis on academic self-government, can be observed in many ways, above all in the creation of a University Assembly, a new body

and the highest level of authority within the university to decide key matters, such as internal resource allocation, setting up institutional missions, and strategic plans. The members of this Assembly include the president, senior administrators, representatives of teachers, student union, non-academic staff, and other external members. Before 1994, staff and students were excluded from participating in decision-making on university affairs. The new trend is much influenced by the democratic movement in the broader socio-political setting. The Assembly does not equate to, and cannot be expected to function as, a governing body, acting as a buffer to protect their autonomy, or, as 'two-way interpreters' between the university and its host society. Quite to the contrary, its efficiency and effectiveness are openly challenged by academics and senior university managers who worry that this so-called 'democratic' governance culture makes the university more like a political entity, with struggle for individual interests and power. In the past, the political model had been widely exercised through the government's bureaucracy mechanisms in appointing university presidents and curriculum control. While such central political control retreats, the political model at the disciplinary and institutional level is in operation, but easily disguised, in such so-called 'democratic' governance culture.

With regard to academic affairs, the collegial model has begun to appear with, for example, peer review in appointment and promotion of academic staff, selection of department heads, faculty deans and presidents. The representatives of academic staff are supposed now, to take at least one half of the seats of the Assembly. In addition, at least two thirds of representatives of academic staff need to be either associate professors or professors. The membership reflects the heavy involvement of academics in governing universities. On administrative affairs, there is a team of senior mangers who are led by the president, who is also a senior academic. Normally, the majority of this managing team are senior academics, too. In theory, collegial collective governance is assumed to be more congenial to academic values than bureaucratic governance model. However, the dangers caused by competing and contradictory interests among academics seem to become apparent, before any realisation of academic freedom and university autonomy through the practice of that model comes true. This situation merely reflects what Tapper and Palfreyman (1998) report – that the collegial collective governance 'can create the false impression of a collegial world in which social harmony reigns and individual competitiveness is conspicuous by its absence'

(pp. 147-8). Several university presidents in the interview of this study express their concern that any failure of institutional self-government can give a chance for external imposition to return.

In summary, before the explicit departure point in 1994, discipline-based and institutional-based authority in university governance was very weak. The system-wide bureaucratic and political authority took entire responsibility, not only for supervision, but also for management of universities. Traditionally, there was no system-based collegial authority which could influence the central government's resource allocation and policy. Although the newly-made changes in the 1990s do not imply less intervention from the system-wide bureaucratic and political authority, there are more interactions between the central government and the institutional levels. Discipline-rooted and institutional-based authority is starting to be exercised, in university governance.

3.5 Similarities and Differences

The stimuli for debating university governance as an issue are similar in England and in Taiwan. In both countries, apart from the systems themselves, such as, increasing size and complexity of higher education, the changes in the wider context have revitalised or initiated, debates on governance. The process in England has been a shift from the settled to the contested state, and towards a change in culture. In England, the collegial model has lost favour, and the managerial/ bureaucratic model is on the rise. The process in Taiwan has been a shift from the neglect of the issue, towards the contested state, and towards the emergence of the so-called 'democratic' but problematic governance culture, with more academic involvement.

The distinction between university governance and management is much clearer in England than it is in Taiwan. This can be seen as one of consequences of university development and the degree of government involvement in the planning of the university systems in both countries. In England, universities existed long before government planning regarding the development of the university emerged. During the days of the UGC, the planning and development of universities was seen as an internal affair. The existence of an intermediate body between the government and the

university indicates, to some extent, that the central government was willing to keep distant from certain areas of university governance.

By contrast, in Taiwan, the university system was developed within government planning, and burdened with social and economic missions. The government was involved in managing all areas of university affairs. A paradoxical example can be seen in the governance of private universities. The latter were legal corporations, but were heavily regulated as their national counterparts by the government. The contexts in Taiwan differ from those in England. The central education authority in Taiwan has frozen any possibility of the formation of bodies mediating between the government and the university. Even though intermediate bodies were established, the context they exist might turn them up to act as arms of government, consuming educational resources and adding another layers to the bureaucratic hierarchy.

Another clear contrast between England and Taiwan is that, though the culture of academic self-government is strongly-rooted in England, it has just begun in Taiwan. It has been argued that such a governance culture is related to the development of universities and to their contexts. It is believed that a collegial model of governance was also widely exercised in the universities in the UK. Even up to the end of the 1990s, Tapper and Palfreyman (1998) still believe that a collegial tradition continues to flourish within particular layers of an institution. Thus, it is difficult to understand why Rhoades (1992) argues that little evidence can be found in the literature of a collegial model of governance in operation in the post-1960s era, except in some selective US liberal arts colleges (p. 1379). The English universities might be the case which Rhoades might have forgotten.

Bargh *et al.* (1996) argue that 'the pattern of university governance is shaped by the nature of the relationship between universities and their paymasters, generally the state' (p. 161). Their arguments are quite true of England, but the likely effects of that shaping can be either relaxed (e.g. before 1980s) or restrictive (e.g. in the 1980s and 1990s). During the period of nearly 30 years before the 1980s, the universities in England were heavily financed by the government but with less control. Given a fairly relaxed government-university relationship, university governance largely remained as an internal issue. Since the 1980s, the government has taken an active role in the

policy-making regarding the development of higher education, though its implementations are carried out through the intermediate mechanisms. Given that there are changes in government-university relationships and challenges from wider contexts, members of governing bodies are reminded that institutional viability cannot any longer be taken for granted, and that they have to assume responsibility for making their institutions more responsive to social and economic needs. As Bargh *et al.* (1996) observe, governing bodies sit 'uneasily' between three constituencies – the central government, universities, and consumers.

However, the arguments of Bargh *et al.* (1996) are less than complete in regard to Taiwan. Basically, it is true that the pattern of university governance is shaped by the government-university relationships, but the government may not necessarily be universities' paymaster, as shown in the case of private universities. While the government was dominant in defining the aims of universities, prescription characterised the governing culture in both national and private universities. Seemingly paradoxically, even though private universities have clear legal corporate status, and had less public funding support, they experienced a more prescriptive government-university relationship than that for their national counterparts. For example, there were very rigid legislative provisions on composition and terms of reference of the board of trustees. In this situation, the activities of governing bodies were manifestly constrained. Alongside legislation, both types of universities have experienced a bureaucratic governance culture. Changes came with the enforcement of the revised University Act in 1994. The governing bodies of private universities are given greater latitude to run their own business. For national universities, due to their unclear legal status, their relationship with the government remains ambiguous, and remains an issue for future debate.

Finally, if certain arguments of Becher and Kogan (1992) that functions and composition of university councils and governing bodies reflect various assumptions about the relationships between higher education and society (p. 83), are true, then the government-university relationship in England has reflected much more trust, than that in Taiwan. In England, such trust-based government-university relationships, which have been revealed in the giving to universities of block grants, and let alone their governance, have shaped the idea and the practice of university autonomy.

Undoubtedly, from the experience of the English university, Lockwood (1987) concludes that university autonomy 'is normally used to refer to the extent of a university's freedom to use public resources in ways in which it thinks best'. However, keeping the greater demands from the wider context on university governance in mind, discussed in this chapter, the question whether a financial tie is the only element to determine the idea and practice of university autonomy in England deserves to be asked. Clearly, as shown in the discussion of university governance, Lockwood's conclusion does not fit the experience of universities in Taiwan, where a financial element may not be necessarily involved in government-university relationships. This does not imply that the issue of university autonomy in Taiwan will be simpler to explain than that in England, and further efforts are made, in Chapter 4, to develop the investigation of university autonomy.

Chapter 4

University Autonomy

4.1 Introduction

University autonomy has often been defined as the university's 'self-rule' (for example, Levy, 1980) or power to govern itself without external controls. However, if a definition is to match real-world situations, it must be more elaborate. This chapter aims to explore the concept of university autonomy, and what autonomy the universities in England and in Taiwan have within the boundaries, particularly within their legal frameworks. Two main aspects are covered in 4.2: first, the relations between university autonomy, academic freedom, and accountability; second, a search for possibilities of redefining university autonomy. In the latter aspect, the university is considered both conceptually, as an idea, and functionally, as an institution. Next, university autonomy in both countries is explored in 4.3 and 4.4, and drawing explorations of the two together, for comparison, in 4.5.

4.2 Concepts concerning University Autonomy

4.2.1 Relations between Academic Freedom, University Autonomy, and Accountability

4.2.1.1 Definitions: Academic Freedom, University Autonomy and Accountability

When and where was the concept of academic freedom born? Minogue (1973) and Russell (1993) indicate that the universities' claim to academic freedom is related to the universities' relations with the Medieval church. Minogue points out that the universities first grew in 'the soil of Christian religion' (p. 31). While the medieval church claiming its freedom was done with the aim of discharging its own spiritual functions, and of putting forward controversial or unpopular opinions, such claims were 'treated as inseparable from its claims to jurisdiction autonomy' (Russell, 1993, p. 2). However, such connections with religion lost some significance as modern universities grow distant from, or indeed are not at all linked with, the church. More commonly, the

ideas of the German university in the nineteenth century - freedom of teaching (*Lehrfreiheit*) and freedom of learning (*Lernfreiheit*), and the first constitutional protection of that academic freedom in 1850, are seen as essential parts of history of the concept of academic freedom. Thus, the concept of academic freedom has been infused with modern concepts, values, and meanings, and has thus kept its vitality.

Despite world-wide recognition of the importance of the concept, what constitutes the essence of academic freedom has long been a matter of debate among academics. There is no absolute answer to this question. However, many academics offer their views. Andren and Johansson-Dahre (1993), for example, extract four items as constituting academic freedom, through summarising three significant documents, namely, the Lima Declaration (1988), the Magna Charta of European Universities (1988), and the Dar Es Salaam Declaration on Academic Freedom and Social Responsibilities (1990). The four items are: (1) academic freedom belongs to members of the academic community, that is, to researchers, teachers, students, also in some cases, to university administrators; (2) academic freedom can be defined as freedom of thought and expression; (3) a prerequisite of academic freedom is university autonomy; and (4) academic freedom is always linked to responsibility. Of these four points, points (1) and (3) still remain controversial: whether the academic community includes administrators and whether university autonomy is a prerequisite of academic freedom.

However, while the issue of academic freedom involves the considerations of other issues, like human rights and the politics of knowledge, it is more complicated than this debate on what its essential constituents are. The gap between the ideal arguments of academic freedom and their practice in the daily academic life can be very ironic. The question of whether academic freedom is taken by someone as an excuse to stop others' (particularly those in the layers below them or different from them) practice of academic freedom deserves noting. There is always a possibility that academic freedom is misused or abused inside the academic community.

University autonomy is seen as a necessity for universities to properly discharge universities' missions. One element common to most definitions of university autonomy, that the university governs its own affairs, without outside (inappropriate?) interference and external forces. However, the concept of university autonomy is more

complicated to define, due, as Neave (1988a) argues, to the fact that 'autonomy is contextually and politically defined'. Meanwhile, noting increasing external demands over universities, certain academics, like Jadot (1981, p. 75), Caglar (1993), and Kerr (1995), tend to claim that the degree of university autonomy depends, not only upon how much room for self-government is left to a university, but also upon how much ability a university has to fulfil its missions. Hence, imposing one set of criteria to measure university autonomy in different countries and claiming that the results are the reality of university autonomy, may be doubtful procedures.

An alternative way to understand the practice of university autonomy is to identify what decision-making power universities have. Berdahl's distinction (1991) between procedural autonomy (the university's power to determine the 'How' of academe) and substantive autonomy (the university's power to determine the 'What' of academe) is useful in this context. He argues that if government constrains the university's power to determine the 'what' of academe, substantive autonomy of the university will be under threat, and this encroachment on substantive autonomy will more seriously damage the function of the university than on encroachment on procedural autonomy.

Like Berdahl, other academics, such as Ashby (1966), Levy (1980), the Carnegie Survey in Higher Education (1982), Tight (1992), and McDaniel (1996), have their own formulations, recognising that the university affairs are multi-dimensional. (see Appendix 2) In the literature, four major dimensions of university affairs: academic, personnel (staffing), financial, and institutional governance, are identified. However, university autonomy on each major dimension is not a separate issue from that on the other dimensions, but is closely related to each of them. For example, though autonomy on academic matters is highly regarded as an essential part of university autonomy, its realisation relies on what resources universities have. Thus, both academic autonomy and financial autonomy can be 'the best guarantee of the intellectual freedom of academic staff' (Williams, 1995b). As Levy (1980) and McDaniel (1996) suggest, governments may attempt to control personnel selection so that they need not control ongoing academic, financial affairs and institutional governance. Under each dimension, certain fundamental areas of university affairs are developed as a basis for designing the research instrument of this study (see Appendix 3).

Trow (1996) defines accountability as a constraint on arbitrary power and the corruption of power, and a legitimate requirement of the universities to meet the obligations to report on their activities to the appropriate groups or authorities (p. 311). The 'legitimacy' element in accountability gives itself a clear ground which is not to be confused with the term of 'control'. According to the analysis of Berdahl (1993), the call for greater accountability from universities in their national context, has been derived from three main historical events, occurring in the 19th century. First, the development and achievement of science and research in the German university led other governments to begin to see the direct link between universities, economic growth and military strength. Second, the passage of the Morrill Land Act in 1862 in the US broadened the university curriculum and made students more heterogeneous, and brought forth the notion of university as public service. Third, increasing sophistication in the art of statecraft led to widespread tightening of public practices of accountability, particularly those related to the expenditure of tax monies.

In the current context of universities, not only continuity of these developments, but also their accentuation, can be observed. The assumption, underpinned by the idealist notion of the university, that 'the university should not be held accountable by anyone but itself' has been seriously challenged (Melody, 1997). On the contrary, it is clear that universities 'have increasingly been asked to justify their activities and account for their use of resources and their performance, not only to external financial bodies but also to other influential groups in society' (Sizer, 1992, p. 1306). Besides, the forms and process of activities of accountability have evolved towards diversity and complexity, ranging from internal self-regulation, performance indicators, external peer reviews of quality to producing certain documents, like financial statements, or codes of practice, and so on. Moreover, certain academics, such as Berdahl (1993, p. 170), Caglar (1993, p. 151) and Russell (1993, p. 36), suggest that the establishment of a buffer body is a suitable mechanism for achieving accountability, in the context of higher education. Regardless of how the forms and process of activities have evolved, the question of what extent of the accountability, particularly on teaching and research, should have, is left aside for most time.

4.2.1.2 The Relationship between University Autonomy, Academic Freedom and Accountability

While some academics argue that the prerequisite of academic freedom is university autonomy, and that they are concomitant, some argue that they are related, but not necessarily concomitant. Interestingly, opposing views can also be found in the same book, *Academic Freedom and University Autonomy,* published by the CEPES in 1993. Some scholars, like Andren and Johansson-Dahre, argue that the prerequisite of academic freedom is university autonomy, or that university autonomy is a precondition for the exercise of academic freedom at the institutional level. But other scholars, like Caglar, argue that it is possible or desirable to have academic freedom without university autonomy, or vice versa. The latter argument is favoured among many scholars, including Ashby (1966), Berdahl (1990), Tight (1992), and Caston (1992). Some examples often used to support the latter argument include: (1) Oxford University in the early 19th century did not allow all of its members to practise academic freedom; (2) Prussian universities in Humboldt's time managed to safeguard academic freedom without being autonomous (Ashby, 1966, p. 290); and (3) German or Swedish universities are not autonomous, but offer academic freedom to their academics (Barnett, 1990, p. 143).

However, a serious challenge comes from Barnett (1990), who argues that the above favoured argument is 'neat, but it does not work entirely' because: first, the lack of autonomy will show itself in some form or other; second, academic freedom requires academic autonomy as the two are closely interwoven in academic life; and, third, autonomy at any rate can be applied to an individual academic (pp. 143-4). Also, it is believed that, in practice, university autonomy and academic freedom enhance and support each other. Wasser (1990), for example, observes that the principles underlying the nineteenth century university in Germany, freedom of teaching and freedom of learning, were the consequences of significant autonomy allowed by the state.

Besides, arguing the relationship between university autonomy and academic freedom, also, bears the 'context', in which the universities exist, in mind. As universities in the West were modelled on medieval universities, which were benefited from the church's claim for freedom in teaching spiritual matters and for self-government, they also, more

or less, inherited these two traditional values. But, when the East established its modern universities following the university pattern of the West, these two values seem to have had difficulty in being institutionalised in the Eastern context. Hayhoe (1996) found that this might be related to the degree of specialisation of knowledge and to the way in which knowledge had grown (pp. 12-3). Take the Chinese tradition as an example; it remained resistant to specialisation and the growth of knowledge more oriented toward to practice rather than to theory, right up to the 19th century. Any ideas, if different from the ideology of the ruling party, were likely to be interpreted, in the eyes of authoritarian governments, as direct threats to political and social stability. This is related to the Chinese tradition, in which the distinction between a theoretical critique based on specialist academic knowledge and directed political activism was weak and blurred (Hayhoe, 1996, p. 168). This is one of the rationales for most academics in Taiwan (see 4.4.1), who tend to argue that the prerequisite of academic freedom is university autonomy, rather than arguing that one is possibly able to exist without the other.

The arguments regarding relations between academic freedom and accountability inevitably occur when academics and governments assert what they think right. Academics assert the principle, among others, of free academic inquiry, seen as a necessity for universities and for society. Governments also have interests in higher education while the age-old principle of 'he who pays the piper calls the tune' is still effective. As Russell (1993) claims, 'any right to receive public money must carry with it a reciprocal duty, and where is a duty, there must be accountability for its performance' (p. 10). This is a good reminder from Russell's claim (1993) that any serious discussion about the relations between academic freedom and accountability must begin from the recognition of a clash between two valid principles.

With the advent of mass higher education systems and substantial public funds involved, therefore, governments, unquestionably, become more interested in knowing how, and how well, universities spend those funds. Gradually, governments, rather than academe, in practice, become the main influence on the definition of the nature and limits of institutional autonomy. This situation has caused more concern to many academics. While Berdahl (1993) suggests that autonomy and accountability are semantically compatible, he also observes that in practice 'usually when more accountability is required, less autonomy remains' (p. 165). While the university

community recognises that governments have the right to hold universities accountable, most of time the difficult question leaves open - where should the borders between autonomy and state intervention best be located.

Another important point in the exploration of the relations between university autonomy and accountability is the theoretical one that where there is the one, autonomy, there is the other, accountability. For example, Russell (1993) and Caglar (1993) argue that the person who is to be accountable should be the one who takes the decisions. However, in practice, it cannot be denied that the universities in certain countries might experience things the other way round, that is, might not enjoy autonomy, but might have many accountability demands made upon them.

Discussions of the issue of accountability and its association with freedom and autonomy do not suffice without mentioning the importance of university's self-scrutiny and self-critical capacities. Russell (1993) observes that universities' self-scrutiny is important for 'any claim to independence from outside scrutiny'; 'if that self-scrutiny should fall short, the risk that outside scrutiny might, however, unjustifiably, be reimposed would return' (p. 100). The same issue engages Kerr (1995), an American scholar. Given that several scandals occurred in the research universities in the US, showing that, they exist on the borders of temptation, Kerr (1995) insists that, if the universities' self-restraint proves inadequate, one consequence will be that 'greater external restraint will be imposed' (p. 51).

4.2.2 Looking for Possibilities to Redefine University Autonomy

4.2.2.1 Thinking of the University both as an Idea and as an Institution

Facing increasing external demands as well as the need for internal self-critical and reflection, where can the justification for university autonomy be located? The answer is two-fold, lying in an investigation of both the university as an idea, and as an institution. For the former, it has been suggested that there do exist essential elements, and that there is the continuity in the view of what a university is, across centuries. While academics insist on calling for the search of the former, they tend, as Minogue (1973) suggests, to call for stopping 'the habit of seeing the university in functional

terms' (pp. 2-3), since a functional view hides the 'real' nature of universities.

It is not difficult to collect a long list of publications on the idea, mission and function of a university, notably Newman's The Idea of a University (1852), Ortega y Gasset's The Mission of the University (1946), Jasper's The idea of the University (1946), Minogue's The Concept of a University (1973), and Barnett's The Idea of Higher Education (1990), to mention but a few. Each idea proposed has its devotees, supporters, and practitioners. As Kerr (1995) observes, these 'competing visions of true purpose, each relating to a different layer of history, a different web of forces, cause much of the malaise in the university community today' (p. 7). However, should the university be, as Kerr repeats twice in his book *The Uses of the University (1995)*, 'so many things to so many different people that it must, of necessity, be partially at war with itself'?

Kerr's argument is quite appropriate, given the existence of debates on research, and its relations with teaching; on liberal versus vocational and professional education; and on what knowledge counts as important. The war is becoming increasingly vigorous with the rise of the challenges from post-modernist thinking. The consequences may not come to dilute or destroy, but, in turn, re-vitalise the reflexivity characteristics of the contemporary intellectual community. As Scott (1995) has observed, the rise of post-modernism 'has, unintentionally, permitted the recovery of social forms of knowledge suppressed by the expert professionalized knowledge characteristic of modernity' (p. 135). Indeed, the essential of higher education should be preserved and strengthened, but a monolithic view of them risks of closure. Thus, if essentials became kinds of ideology, the academic community will become their own enemy, hindering their claim for values of academic freedom and university autonomy.

However, paradoxes emerge. While there are endless pursuit or proclamation, of the continuity of essential ideas, their fragility is seen in practice. The fragile life of the idea is, as Kerr observes (1995), that 'the "Modern University' was as nearly dead in 1930 when Flexner wrote about it, as the old Oxford was, in 1852, when Newman idealized it' (p. 5). Also, Scott (1993) reminds that the strength of the idea, on its own, of the university, is easy to exaggerate, by mere incantation, and highlights a failure of attempts to isolate the idea of a university independently of considerations of its

institutional being. These prove that the views to claim that the university has survived over centuries by the strength of its core idea, and to despise its institutional 'ceaseless adaptation' in Scott's words (1993, p. 4), would be incomplete and prejudiced. Thus, Jaspers' belief that the secret to the university's longevity is the idea of a university committed to free intellectual communication, is challenged, though he had recognised that 'university as an institution' is the only way in which the idea might be 'incarnate' (Jaspers, 1965, pp. 83-88).

Universities in the late twentieth century confront an unprecedentedly changing environment, and increasing external demands, which pressure them not to remain self-indulgent about the idea, or ideal concept, but rather to explore idea of the university-within-its-context. The idea of the university can not escape being redundant rhetoric in the 21st century, unless its definition 'must be rooted in the institutional constraints that shape and intellectual imperatives that drive the modern university' (Scott, 1993, p. 23). Thus, university as institution is as important and essential as university as idea. From Scott's interpretation of the idea of the university, over centuries, the concept of university as idea and university as institution mutually enhance each other, and work out the continuity of the university.

4.2.2.2 Redefinition of University Autonomy

What relevance has thinking of the university both as an idea and as an institution, to the concept of university autonomy? The idea of the university, gives rise to academic freedom and university autonomy, irrespective of the diverse structures, missions and institutional types of higher education. Also, as Neave and van Vught (1994) argue, 'the concept of autonomy is held to be quintessential to the activities of higher learning', irrespective of 'whether such a claim is symbolic or real, whether it is an expression of hope for the shape of things to come or presented as a protest against the present condition' (p. 7).

However, from the point of view of the university as an institution, the issue of university autonomy needs to be re-examined with thought of practical institutional constraints, and of changing environments which are making it harder for universities to assert the idea. In a modern view, instead of passively waiting for attribution of an

autonomy the university is assumed to have by right, the university should go out to earn its autonomy. As Jadot (1981) and Clark (1998) argue, the degree of autonomy depends more upon the institutional ability to respond to the growing imbalance in the environment-university relationship, and to fulfil its missions than upon its traditional origins. While accepting that university autonomy is, certainly, constrained by practical constraints and by the university's ability to explore or exist in a new environment, this study suggests that there is a need to re-define university autonomy. University autonomy deriving its meaning from university as idea, is different from a derivation from university as institution. This study would term the former as 'traditional autonomy', and the latter as 'contractual autonomy'.

There are two obvious main reasons for terming the former as 'traditional autonomy'. First, when academics explore the idea of the university, they are more likely to trace back the development of the university to its traditional origins. Second, a university which holds close to, and respects, idea, or ideal concept, of the university, arguably merits that autonomy which might allow it to realise the ideal. However, terming the latter as 'contractual autonomy' needs more explanation.

Contracts in the context of higher education are not unfamiliar. Nowadays, the relationship between the university and the government, as Berdahl (1990) and Ferris (1992) observe, operates more on contracts than grants. Also, since the early 1980s, the development of contractual relationships between government and university can be seen as a significant development in the Western European countries. Neave and van Vught (1991 and 1994) employ the term of 'conditional contracts' to describe the government-university relationship, and propose 'conditional autonomy', which suggests that although the idea of autonomy permeates the inner life of academe, it is set within a series of contextual boundaries that vary enormously from country to country. However, it should be noted that contractual relationship is not a recent development. It has developed from the emergence of the university, since the latter has always had kinds of 'contracts', whether implicit or explicit, with 'its society and its support community in that society' (Trow, 1996, p. 310).

Thus, 'traditional autonomy' and 'contractual autonomy' co-exist, but may manifest themselves to different extents and in different aspects of university life. When the

universities have more opportunity to live up to their ideal, 'traditional autonomy' is enhanced. By contrast, while universities are contracted to realise 'traditional autonomy' in certain ways, the autonomy they enjoy is in fact 'contractual autonomy', reinforced by the formation of contractual relationships between them and governments, or other bodies in their environments. The latter process has been more common, in the last two decades. Undoubtedly, university status goes with autonomy. While 'traditional autonomy' leads universities to claim what they assume is an inheritance from the university as idea, 'contractual autonomy' leads them to realise the practical limitation of 'traditional autonomy' and to earn their own autonomy in a modern sense. Both forms of autonomy, leave open the issue of 'the limit of the respective powers of the government and the university, and this limit has moved and keeps moving' (Cazenave, 1992, p. 1371).

The aim, here, is not to divide, arbitrarily, university autonomy into two forms. Some aspects of university affairs still remain in traditional form, while some aspects are probably moving towards contractual form. Both forms constitute university autonomy, as far as a given university can be said to possess it. It is absurd to argue that one form of autonomy will be better than the other. This debate is similar to that on centralisation versus decentralisation of educational administration. As F. Newman (1987) argues, a successful system depends on centralising (and decentralising) the right thing, rather than on the once-for-all choices of either centralisation or decentralisation. Moreover, university autonomy, of whatever form, is a matter of balance. It is also necessary to note that whatever the form of autonomy, its justification is its role in allowing full discharge of the university's mission and objectives.

In the rest of this chapter, the relationships between university autonomy, academic freedom and accountability and the legal scope of university autonomy in England and in Taiwan, are examined, in 4.3 and 4.4, and the similarities and differences between them, are explored, in 4.5.

4.3 University Autonomy in England

4.3.1 The Relationship between University Autonomy, Academic Freedom and Accountability

Historically, as Hayhoe observes (1996), British university autonomy from the state had a strong tradition, but the influence of the church over matters such as curriculum, appointment of faculty, and recruitment of students, remained strong until the end of the nineteenth century. Due to the absence of the concept of the state as a distributive or regulative entity, at least until the First World War, and an assumption that the field of education is ill-served by state intervention, the British notion of university autonomy developed in a way distinct from that of other European countries (Neave, 1988a). It has two unique features;

> *First,... autonomy was* ***individual*** *and* ***institutional****, both of which were based on the individual Charter and the collegial style of self-government (Becher and Kogan, 1980). Second, while Charters secured in principle institutional autonomy, the 'zone of negotiation' between universities and government was not based on any detailed code of regulations. (bold added, Neave, 1988a, p. 38)*

Surprisingly now, but seen as rather normal at that time, the Robbins Committee believed that the danger of abusing academic freedom, was much less than the danger of trying to eliminate it by a general restriction of individual liberty. There has also been a strong belief among British academics that the affairs of the university should be in the hands of academics. During the days of the University Grants Committee (UGC), it was clear that the process of British policy-making on the university was dominated by a strong academic presence, for example in terms of membership of the UGC, and even of various research councils (Berdahl, 1990, p.175). The opinion of the academic profession was relatively respected, and adopted, in the process of policy-making; and this has allowed the universities to hold their 'substantive autonomy', in Berdahl's words. Meanwhile, the block grants given on a quinquennial basis, with no post-audit from the Comptroller and Audit General (C&AG), provided nearly maximum procedural autonomy. Eustace (1994) argues that the existence of the UGC has been built upon belief in autonomy. At that time, the British government had a good

reputation, that of paying the piper but listening to the music. During the thirty years between 1945 and 1975, a golden age of academic freedom and university autonomy, underpinned by generous government funds with few demands, was created in Britain (Russell, 1993; Williams, 1995b).

In the context of British universities, there has been a closer link between academic freedom and university autonomy, but since the 1980s, a need to distinguish one from the other has been emphasised. As Tapper and Salter (1995) argue, Neave's observation (1988a) about the closer link between institutional and individual autonomy has been less true now. Indeed, during the turbulent times, for the universities, of the late 1980s, it seemed difficult to assert both academic freedom and university autonomy at the same time. For example, the Croham Report in 1987 claimed that academic freedom 'is not threatened by the actions of a national funding body because it deals with universities as institutions and not with individuals within them' (para. 2.10).

Another example can be seen in the debate over the abolition of the tenure system. The latter has been seen as a threat to academic freedom when there was not a system in which academics can 'question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions without placing themselves in jeopardy of losing their jobs or privileges they may have at their institutions' (Academic Freedom amendment to Education Reform Bill, moved by Lord Jenkins of Hillhead, 19 May 1988). However, according to Tapper and Salter (1995), the abolition of the tenure system has given universities greater, rather than less, institutional autonomy in the employment of their staff, and in related matters. Nevertheless, series of changes and government's taking an active role in the higher education policy in the past two decades, have made it harder for certain academics, for example, Griffith (1990), Millar (1992) and Russell (1993), not to interpret them as meaning that autonomy in British universities has been threatened or eroded, or even become a dead letter.

4.3.2 The Legal Scope of University Autonomy

No matter how autonomous the universities are, as Berdahl (1959) observes, they 'must operate in a legal and constitutional frame of reference without which their ordered existence would be impossible' (p. 109). However, it is not the aim of this study to explore the complete system of law governing higher education institutions. Instead,

the legal framework here means those on which the university was established, and by which the powers of the university were granted or abolished, rather than those general principles of law, such as on health and safety, sex and race discrimination, and the like. In other words, the legal scope of university autonomy is examined within the charters and statutes, and legislation specific to higher education institutions, such as the Education Reform Act 1988 (ERA), Further and Higher Education Act 1992 (FHEA) and Teaching and Higher Education Act 1998 (THEA).

Higher education institutions in England are diverse in historical background, and size, but share the following legal characteristics: legally-independent corporate institution, and charitable status (CUC, 1995). There are four forms of legal status of English universities, namely, royal charters (and/ or individual Acts of Parliament), higher education corporation (under the Education Reform Act 1988), company limited by guarantee (under the Companies Acts), and charitable trust. What does a corporate body mean? A corporate body is a body of persons recognised by the law as having full legal personality distinct from its members, and a distinct legal entity which continues in existence as its members change from time to time, and enjoys certain rights and privileges, such as power to hold funds, to sue, and to defend (Farrington, 1994; Hart, 1998).

While a very small number of pre-1992 universities were established by a specific Act of Parliament, most of pre-1992 universities were established by a royal charter. What powers do royal charters grant to the universities? In the first part of the charter the powers the university shall have, are stated. After summarising powers given to several universities in their own charters, it is found that each university has more or less similar legal power, as shown in Table 4.1.

However, there is a question which should be asked - how reliable a charter is to be as a guide to practice. This question also engages Moodie and Eustace (1976), who tend to argue that university charters are not legal fictions, when seen in relation to a university's true governance. They say,

> *We know of no British university charter treated with neglect or contempt nor do we know of any that provide a completely reliable guide to practice...Even if*

charters are not fully reliable guides to practice, it does not follow that they have no importance. (Moodie and Eustace, 1976, pp. 3-4)

Table 4.1 Summary of Powers Granted by Royal Charter to Universities

Warwick University (as a reference)	Leeds U	Bris-tol U	Read-ing U	Essex U	Buck-ingham U
1. to prescribe the requirements for Matriculation and the conditions of admission				V	V
2. to grant and confer degrees, diplomas, etc.	V	V	V	V	V
3. to confer Honorary Degrees	V	V	V	V	V
4. With good cause to deprive person's degrees conferred by the U/ to revoke any diplomas		V	V	V	V
5. to provide such instruction as the U may think fit/ for research and for advancement/ dissemination of knowledge in such manner as the U may determine	V	V	V	V	V
6. to provide lectures/ instruction for persons not members of the U	V	V	V	V	V
7. to accept exams passed and periods of study spent by student at other Us or places	V	V	V	V	V
8. to affiliate other institutions/ departments/ to recognise selected members of the staff as teachers of U/ to admit...	V	V	V	V	V
9. to prescribe the disciplinary provisions to which students of the U shall be subject				V	V
10. to co-operate by means of Joint Boards or otherwise with other U for such conduct of exams as the U may determine	V	V	V	V	V
11. to institute Professorship/ Readership.../to appoint persons to and to remove them from such offices	V	V	V	V	V
12. to institute and award fellowships/ scholarships...		V	V	V	V
13. to establish/ maintain/ govern residence of the student of the U	V	V	V	V	V
14. To make provision for research/ advisory services to enter into arrangements with such other institutions as the U may think desirable		V	V	V	V
15. to demand and receive fees				V	V
16. to take such steps expedient... for procuring contributions to the funds of the U/ to raise money				V	V
17. to act as trustee or manager of any property/ legacy/ endowment.. / to invest any funds	V		V	V	V
18. to enter into agreement(s) with the Trustees of the University Foundation..				V	V
19. to enter into agreement of incorporation in the U of any other institution...	V	V	V	V	V
20. subject to this Charter and the Statutes, to invest all the property/ money... and enter into engagements and to accept obligations and liabilities				V	V
21. to do all such other acts and things whether incidental to the powers aforesaid or not as may be requisite in order to further the objects of the U as a place of education/ learning	V	V	V	V	V

Source: Compiled by the researcher from the charters of the University of Warwick, the University of Leeds, the University of Bristol, the University of Reading, the University of Essex, and the University of Buckingham.

On the real powers granted to a university through its charter, caution is called for, at least regarding some aspects. First, from Table 4.1, it could be misleading to immediately conclude that all the powers the chartered universities have, come from the express powers of the charter since powers of such a university 'need not be spelled out in its charter or statutes' (Hart, 1998, p. 18). Second, there are some discrepancies among the rules and practices, since the rules in, or derived from, a charter, are not set in stone, but are 'open to variable interpretation, and thus amenable to development by processes of specification, amplification and elaboration which need not involve formal amendment' (Moodie and Eustace, 1976, p. 3). For example, Farrant (1987) attempted to investigate the extent to which the five desirable constituents of university autonomy - freedom to appoint; freedom to determine curricula and standards; freedom of admission of students; freedom to determine the balance between teaching and research; and freedom to determine the shape of development, identified by the Robbins Report (1963), existed in the late 1980s. While these five powers still remained in place at that time of Farrant's writing (1987), then why did he conclude in this way - 'if it were reconvened today, the Robbins Committee would almost certainly judge that the autonomy of each university on the UGC's list was both less than it had been in the early 1960s'? It can be argued that though the powers of the university remained intact, the room for the university to exercise those powers had become limited, and external pressures had become harder to ignore.

Another recent example can be seen in the series of debates over the Teaching and Higher Education Act 1998. Section 26 of the Act gives the Secretary of State powers to compel higher education funding councils for England and Wales to impose conditions on university governing bodies as a condition of receiving grant, that is, fees are charged 'equal to the prescribed amount' which is that prescribed by the Secretary of State from time to time. Does this affect the powers of the chartered university to 'demand and receive fees'? Farrington is not sure, but he observes that 'obviously the promoters of the bill intend that the charter power should be attenuated' (THES, January 23, 1998). This example demonstrates that the chartered universities, in theory, are able to exercise their granted powers to charge what they intend, but in practice, that power might be constrained, in a time when the universities depend upon government funding.

With regard to statutory universities, the majority of them in England, known as the post-1992 universities were established as higher education corporations under the Education Reform Act 1988. According to the provisions of the Act, they also have the following powers: 1) to provide higher and further education; 2) to carry out research and to publish the results of the research... in such manner as the corporation thinks fit; 3) to supply goods and services; 4) to acquire and dispose of land and other property; 5) to enter into contracts; 6) to form or take part in forming a body corporate for carrying on any such activities; 7) to borrow such sums as the corporation may think fit; 8) to invest any sums; 9) to accept gifts of money, land, and other property and apply it, or hold and administer it on trust; and 10) to do anything incidental to the conduct of an educational institution providing higher or further education. (summarised from Sections 123 and 124 of the ERA, 1988) Compared with the past, when the polytechnics were under the control of LEAs, being an independent corporation has made them not only owner of their buildings and employers of their staff, but they also have more discretion over their use of funds. Subsequently, the Further and Higher Education Act 1992 enables them to have the power of awarding degree (Section 76), and acquire the title of university (Section 77).

Is it appropriate to conclude that the universities in England enjoy autonomy to a high degree, from the power 'to do all such other acts... in order to further the objects of the university as a place of education and learning', given to chartered universities, and 'to do anything incidental to the conduct of an educational institution providing higher or further education' to post-1992 universities? In fact, the exercise of the powers granted by the charter and acts of Parliament are constrained by practical considerations. First, the control of granting of statutes is always asserted as the right of the government (Tapper and Salter, 1995). Thus, it is impossible for them to be changed without the consent of either the Privy Council or Parliament, the state at large (Farrington, 1994, p. 42). Second, as recipients of public funds, of course, the freedom universities have to exercise their legal autonomy is more limited than would otherwise be the case. For example, Section 134 (7) in the ERA and Section 68(2) in the FHEA 1992, empower the Secretary of State to give directions to the funding councils, even though the legislation prevents the Secretary of State from intervening directly in individual institutional affairs.

There are some differences in power between chartered universities and other institutions constituted by Act of Parliament or by registration. According to Farrington (1994) and Hart (1998), two differences, in theory, remain. First, chartered universities, generally speaking, have complete legal personality with all the powers that implies, and can do anything that an individual can do, but other corporate institutions can only do such acts as are authorised directly or indirectly by the statute creating it. Second, the courts do not possess power to revoke a charter by ordinary process, and the powers of dissolution given to the Secretary of State by Section 128 in the ERA, only extend to higher education corporations, not to chartered universities. However, the differences become blurred once one takes constraints of resources into account. As Hart (1998) observes, a tendency has become visible for chartered universities to see themselves as more circumscribed by external considerations than ever used to be the case, and to be less self-confident in terms of their perceived freedom to act (p. 19). While the room for exercising the legal powers of chartered and statutory universities is constrained by one condition – being a recipient of public funding, Lockwood's observation (1987) that university autonomy 'is normally used to refer to the extent of a university's freedom to use public resources in ways in which it thinks best' (p. 154) remains true of English universities.

4.4 University Autonomy in Taiwan

4.4.1 The Relationship between University Autonomy, Academic Freedom and Accountability

The concepts of academic freedom and university autonomy among Chinese scholars may not necessarily be different from those of western scholars. For example, in the early twentieth century, Chinese scholars began to claim, like their western counterparts, that a body supposedly a university, could be judged as truly being such, if it showed the traditional values of university autonomy and academic freedom. The original form of university in Chinese society, besides certain state forms of higher learning, comprised many private institutes (called Sue-yuan), in the Song dynasty, which were formed, and which became a place of gathering scholars, usually followed by a group of students devoted to the pursuit of truth and knowledge. Academic freedom was realised, albeit with a fragile life, earlier than the coming into being of the concept of university

autonomy. However, the Taiwanese perspective about the relationship between academic freedom and university autonomy is different from a western perspective.

Most western scholars, such as Tight (1992) and Caston (1992), emphasise the distinctiveness of the concepts of academic freedom and university autonomy, seeing them as related but not necessarily concomitant, although Barnett (1990), additionally, suggests that such 'conceptually distinction' is sometimes problematic in practical life. While such arguments about the relation between academic freedom and university autonomy are acceptable, it does not mean that the existence, or validity, of other scholars' claim that a prerequisite of academic freedom is university autonomy should be rejected. In the context of higher education in Taiwan, most scholars tend to argue for the latter. For example, Wu (1968) argues that 'without university autonomy, academic freedom is vulnerable; without academic freedom, university autonomy is meaningless'. He believes that university autonomy can protect academic freedom.

In recent years, many legal scholars, such as Lee (1995) and Daun (1997), tend to use the Constitutional principle, laws and administrative orders, to serve as a point of departure for discussing academic freedom and university autonomy. Although the Constitution of the Republic of China does not have any articles directly related to the protection of academic freedom and university autonomy, the interpretation of the Article 11 of the Constitution has been extended to academic freedom since the Interpretation No. 380 of the Council of Grand Justice was made. In order to protect individual academic freedom, university autonomy should be guaranteed on those matters related to research, teaching and learning (Lee, 1995, p. 271). Daun suggests that the purpose of university autonomy is to realise the Constitutional protection of academic freedom. Thus, that a prerequisite of academic freedom is university autonomy has become a consensus view among most academics in Taiwan.

What background leads scholars in Taiwan to argue in this way? First, a telling point might be that of Hayhoe (1996), who observes that the development of university autonomy and academic freedom is related to the epistemological orientation and intellectual life of individual countries. Unlike the western context, the way of growth of knowledge through theoretical debates and logic testing and 'the distinctive lines between a theoretical critique based on specialist academic knowledge and directed

political activism' (Hayhoe, 1996) were absent in the Chinese context. For example, the ideas of Marxism and the subjects of political sciences were not allowed to discuss and teach on campus until the 1990s, since they were regarded by the government in Taiwan as direct threats to political and social stability. Thus, while western ideas matured, to form a system of knowledge, an epistemology which can be logically tested and challenged, Chinese ideas developed into a philosophy of being, which can be ethical, moral and political. When academics in the western university tried their best to fight for their ideas, academics in the 'state' university in Chinese tradition might confine themselves by not researching any issues which might be labelled as 'politically-sensitive'.

Second, during the earlier authoritarian age, political personnel were assigned on campus to help secure so-called 'national security'. While most university presidents and senior administrators were involved, whether consciously or unconsciously, in helping the government or the political ruling party to carry out certain political goals, political not academic criteria dominated universities' decision making in both teaching and research. Given such circumstances, it seems understandable that the scholars in Taiwan insist that university autonomy is a prerequisite of realisation of academic freedom since the 'state' was in practice penetrating all aspects of university life.

Accountability of the universities in Taiwan also changes with changes in the government-university relationship (see Chapter 6). Before the 1990s, the requirements of accountability of the universities were very rigorous. This reality proved the existence of a superior-subordinate government-university relationship, and the weakness of the tradition of university autonomy. If Trow's argument that accountability is in essence the same as, or determines, legitimacy, was taken into account, then the past circumstance of the Taiwanese universities would be better described as being controlled, than as being held 'accountable'. There was no perceived need, even, to distinguish aspects of accountability, in terms of legality, efficiency and/ or effectiveness. Caglar (1993) and Russell (1993) have argued that it is the one who is accountable is the one who is an autonomous decision-maker. The Taiwan case shows that this state of affairs may not pertain. Since the Interpretation No. 380 of the Council of Grand Justice was made in 1995, however, academics urge the government to conduct audits of the legality and efficiency of university operation, and to leave

academic matters in the hands of the university. Now, when courts deal with lawsuits associated with individual universities, such as cases to do with the grading of exam papers, they are likely to investigate whether the procedures for conducting operations have been appropriate, rather than seeking to investigate and judge the evaluations and assessments made by academics in a given case.

In practice, due to the weakness of socio-cultural conventions supporting the practice of university autonomy, a culture of university autonomy in Taiwan can be seen, by certain evidence, to be superficial and not deeply-rooted. A number of in-depth reports have observed the consequences of the greater autonomy granted to universities, disclosing the chaotic and absurd situations occurring in university campuses, after 1994. One report, for example, entitled 'After the authoritarian power has gone, a power vacuum occurs' in the China News (April 23, 1996), revealed that 'a power vacuum' was filled by the 'political strategies' used by internal members of the university community. A university suddenly became a place to fight for individual interests rather than a place in which academic excellence could be pursued. The president of Academia Sinica, Taiwan's premier research institute, Dr. Lee Yuan-tseh, makes the criticism that certain universities do not deserve autonomy if they cannot restrain themselves. This situation made the claim that university autonomy has been argued as the protection of academic freedom remain as ideal.

4.4.2 The Legal Scope of University Autonomy

Unlike in England, there was no single statute directly to give a statement of what power universities have. The focus of the examination of the legal autonomy is not only on legislation specific to universities, such as the University Act, the Private School Act, the Educational Personnel Employment Act, and the Degrees Awarding Act, but also the administrative regulations. Thus, different illustration from Table 4.1, Table 4.2 identifies whether key areas of university affairs are regulated either by laws or by administrative regulations. If the areas are regulated by laws, it will specify to which party (the MOE, universities, or a mix) the power is granted. If the areas are not regulated by laws, it will specify which party is the one exercising that power in practice (see Note 1 of Table 4.2).

Table 4.2 University Autonomy within the Legal Framework in Taiwan

Acts / University Affairs	University Act (1994)	Private School Act (1997)	Educational Personnel Employment Act (1997)	Degrees Awarding Act (1994)	Other Acts/ Admin'tive Regulations
1. Undergraduate Entry Qualifications	V/ U— MOE[1]				
2. Number of Undergraduates					MOE--U
3. Selecting Postgraduate Entrants	V/U— MOE				
4. Number of Postgraduates					MOE--U
5. Setting Exams & Student Assessments					U.
6. Setting Degree Standards and Criteria	V			V	MOE
7. Awarding the Degree	V/U.			V	
8. Structure of Academic Courses	V/U.				
9. Contents of Individual Courses					U.
10. Adding/ Discontinue Undergraduate programs					U.
11. Adding/ Discontinue Postgraduate programs					U.
12. Broad Research Priorities					U.
13. Direction of Specific Research Projects					U.
14. Ownership of Copyrights					V
15. Ownership of Other Intellectual Property Rights					V
16. Appointment of(Vice-chancellor/ Principal) President	V/U— MOE	V	V		
17. Appointing Academic Staff	V/ U/MOE		V		
18. Promotion of Academic Staff	V/ U/MOE				
19. Dismissal of Academic Staff	V/U— MOE		V/U— MOE		
20. Appointment of Deans & Department Heads	V/ U.				
21. Appointment of Registrar	V/ U.				
22. Appointment of Personnel Director	V/ MOE				
23. Appointment of Finance Director	V/ MOE				
24. Drawing up Annual Budgets					V
25. Allocation Budgets within University					V
26. Setting Level of Undergraduate Tuition Fees		V			MOE—U[2]
27. Setting up University Companies					3
28. Borrowing Money from Capital Market					MOE
29. Determining Price of Commercial Teaching	V/U— MOE	V			
30. Determining Price of Research Contracts/ Projects					U.
31. Determining Salary Scales of Academic Staff			V/MOE		
32. Determining Salary of Individual Academic Staff			V/MOE		
33. Setting Annual Income Generation Targets					MOE/U
34. Defining Mission & Objectives of Institution	V/U— MOE				
35. Drawing up Strategic Development Plans					U.
36. Establishing/ Merging/ Discontinuing Departments/ Faculties/ Group Studies	V/U— MOE				
37. Determining Internal Administrative Structure	V				

Note:

1. 'V': regulated by law; 'V/U': regulated by law which grants power to U; 'V/MOE': regulated by law

which grants the power to MOE; 'V/U--MOE': regulated by law which grants power to U, but U needs to report to or obtains approval from MOE; 'V/U/MOE': regulated by law which grants power to selected Us or to MOE; 'MOE': no legal but administrative regulations; 'MOE--U': no legal but administrative regulation within which U can determine that item; and 'MOE/U': national Us are regulated by MOE, but private Us have self-determination.

2. Setting of level of postgraduate tuition fees is left to universities to determine.
3. Although there is no legislation to prohibit universities from setting university company, universities are in practice not allowed to do so, but they can establish a university foundation.
4. Compiled by the researcher.

After the Interpretation No. 380 of the Council of the Grand Justice, one principle has been established. While the legislation grants powers to neither universities nor MOE, powers on matters related to teaching, research and learning, will be left to universities, regarding non-academic matters, the MOE will decide whether there is a need to issue administrative regulations – normally it does so. While Items 5, 9 to 13 in Table 4.2 demonstrate the former part of the principle, Items 26, 27, and 28 illustrate the latter. However, the real situation is more complex than the principle. Several reasons can be proposed. First, exceptions can be identified. Item 6 (Setting Degree Standards and Criteria), for example, should be determined by the universities as the Act did not grant relevant power to the MOE, and it should belong within the scope of an academic judgement. However, the MOE issued a regulation that 'obtaining a bachelor degree should take at least 128 academic credits in four years'. It is obvious that universities are happy to follow this regulation, instead of accusing MOE of violating the principle, because they use it as an excuse to require the students to take at least 128 credits for graduation.

Second, it is interesting to see the relationship between MOE and private universities in the matter of selecting and appointing presidents, and other matters not regulated by law. Despite constituting only one element in the degree of self-governance a system may enjoy, the presidential appointments, as Neave and van Vught (1994) argue, are usually treated with a high symbolic weight. There has been legislation - the Education Personnel Employment Act, explicitly defining educational qualifications needed for being a university president. The private universities are independent corporate bodies; in theory, they have legal existence as persons, with power to hold funds, to sue, and to defend. Paradoxically, the governing boards of such bodies are not allowed to

determine what candidate they need for presidents, and the selected presidents are only to be effective after obtaining approval of the MOE. From the summary in Table 4.2, legal independence of private universities does not effectively limit the regulating power of the MOE on them.

Overall, universities obtain autonomy not because of legal corporate status, true only of the private universities, but because the MOE, the highest education authority of the state, tends to release certain powers it controlled before, to the universities. Daun (1997) observes that the scope of university autonomy is primarily dependent upon the will of the government (pp. 41-2). Real autonomy is granted to universities through three aspects: first, the change in the nature of government intervention - from heavy regulations towards deregulation; second, through revision of relevant Acts, and, third, the way of interpretation of the Constitution and Acts concerned. Lacking one of them, the effect of individual aspect on university autonomy can be attenuated; and, the effects of revision of Acts may not be profound, if the interpretation of provisions of the Acts is still dominated by the government. Indeed, certain articles in the Acts concerning universities were not modified in the revision, but, now, interpretation has been more beneficial to the universities. Therefore, the revision of the University Act in 1994 grants certain powers to universities, but its effects are enhanced by the Interpretation No. 380 of the Council of Grand Justice in 1995.

Another example is seen in Article 11 of the Constitution of the Republic of China which had stated that 'people have freedom in speech, instruction, writing and publication'. In practice, this was completely ignored, but interestingly, since the 1990s, without any modification to the Constitution, cogent arguments have been put forward that this Article can be interpreted as an institutional protection of academic freedom. However, it remains true that, where interpretation is possible, the government view can still be dominant, but will confront with increasing influence and challenges from the side of universities.

4.5 Similarities and Differences

Definition of university autonomy is not straightforward. As Neave (1988a) and Tight (1992) argue, autonomy is contextually, socially, and politically defined, rather than

being determined on one set of fixed criteria. This also suggests that university autonomy is not something without limitation, nor something fixed; rather, it involves dynamic relationships between universities and the external main actors. Although similarities between England and Taiwan regarding university autonomy may not be evident at first sight, both countries share what Cazenave (1992) and Russell (1993) observe, that is, university autonomy can not be preserved, unless it involves self-restraint in the government and the university.

However, there are several interesting conceptual and practical differences regarding university autonomy, that merit attention. Government influence, until the beginning of the twentieth century, in the development of the idea of university autonomy, was absent in England, but it was always present in Taiwan. In other words, autonomy from the government was a tradition in England (Hayhoe, 1996), but government intervention was a tradition in Taiwan. The idea of university autonomy in England, as Tapper and Salter (1995) observe, was initiated from below, evolved to the idea that, once granted their resources the universities were responsible for spending them, then to the idea the universities need to make choices within boundaries prescribed by government. The idea of university autonomy in Taiwan was developed in a struggle with political and bureaucratic constraints, since the reality of the 'state' rather than the idea of university autonomy, was penetrating all aspects of university affairs.

Concepts of academic freedom and university autonomy in Taiwan have been deeply influenced by western ideas. Many academics hold the view that if a university has no autonomy, it does not deserve the title of 'university'. But both sides of academics have different views about the relationship between academic freedom and university autonomy. Some English academics favour the argument that it is possible to have academic freedom without university autonomy, or vice versa. Also, as the Croham Report (1987) suggests, academic freedom in England is not threatened, since the actions of a national funding body deal 'with universities as institutions and not with individuals within them' (para. 2.10). By contrast, many scholars in Taiwan argue strongly that a prerequisite of academic freedom is university autonomy, or that university autonomy is a precondition for academic freedom. As mentioned in 4.4, free cultural debates over many aspects of society and politics occurred only with difficulty in the context of Taiwan's universities, while the distinction between a theoretical

critique, based on specialist academic knowledge, and directed political activism, has been blurred to some extent. In addition, in the past, university presidents and senior administrators became facilitators of government, or even the ruling political party, achieving certain political goals. Of course, this circumscribed academics' freedom, and consequently, most academics also confined themselves not to research into so-called 'politically-sensitive' issues. All these historical events, and their implications, are a context for the view of academics in Taiwan, and help explain their tendency to argue that university autonomy is a prerequisite of academic freedom.

While there is a gap between the legal and the effective scope of university autonomy, in both countries, and the relevant statutes in both countries are open to interpretation, it can be argued that the gap in the English case can be larger than that in Taiwan. The scope of legal autonomy in Taiwan has been confined as rigidly as possible by a complex network of legislation and regulation, as Table 4.2 suggests. In the English case, the powers of universities may not be necessarily listed in their charters and Acts of Parliament. This implies that there are two possible consequences – the exercise of the powers is either greater or restricted by the context in which the statutes are interpreted. These two consequences have occurred in the experience of English universities. Before the 1980s, the scope of university autonomy rested more on conventions, so-called 'gentlemen's agreements' and on the notion of the 'facilitatory state'. These conventions, however, have been fading away with the changes since the 1980s. Several pieces of legislation, and codes of practice from quangos, affect higher education. Concisely speaking, the situation for the English case shifts oven time from one of apparently greater autonomy than the legal instruments imply, to one in which autonomy appears more constrained in practice than the legal instruments imply. It can be seen that while the powers of university, legally, do not change much, as mentioned in 4.3, the latitude of the university to exercise them, has been gradually limited, by the fact not only that universities receive public funds, but also that the government takes an influential role in the development of higher education. On the former, Lockwood's observation (1987) that autonomy in England 'is normally used to refer to the extent of a university's freedom to use public resources in ways in which it thinks best' cannot be denied. On the latter, the question of whether it is still reasonable to assume that, when a university in England has the capability to reduce its dependence upon public funds, by generating income from other sources, it will have more room to exercise autonomy,

than a university which is primarily dependent upon government funds, arises. The empirical answers will be given in Chapter 8.

Unlike in England, the idea of university autonomy in Taiwan has no chance of developing from academe ('the idea from the below' in the words of Tapper and Salter, (1995)). It rests on the notion of the 'interventionist state'. Rather, the scope of university autonomy in Taiwan tends to be defined within the legal framework, and very much depends upon the good will of the government. This implies that university autonomy in Taiwan continues to appear more constrained than the legislation concerned implies. For example, it would be misleading to claim that the revised Act gave the universities 'brand new' autonomy because, in truth, certain freedoms had been legally granted to universities, but due to many interfering factors, these had been no more than dead letters. In the 1990s, the universities have gained more autonomy, particularly in curriculum design and academic staff appointment, and in their own development, not just through revision of relevant Acts, but, more importantly, through a new way of interpretation of legislation, which is marked by the Interpretation No. 380 of the Council of Grand Justice.

The case in Taiwan has moved away from a subordination of the university to the government, and closer to a situation in which the government provides a legislative framework within which universities advance learning, education and knowledge. In other words, within the legislative framework, a fairly distinct, autonomous reserve is created, for the universities. However, the financial affairs are still subject to a lot of restrictions by statutes and by administrative regulations. All in all, the concept of university autonomy in Taiwan involves the legislative and political, apart from financial, elements. Given such circumstances, even though the government nowadays makes efforts to encourage national universities to generate their own income, the question on the extent of university autonomy, whether it has been extended or has not changed at all, calls for an empirical answer.

In summary, the concept of university autonomy has a financial element in England, but in Taiwan involves a network of more complicated regulation, going beyond financial regulation. Thus, is it justifiable to hypothesise that there is a greater possibility, in England than in Taiwan, to increase universities' autonomy by generating their own

income? The conclusion here leads to the examination of the issue of university funding, which is assumed to be related to the enhancement of university autonomy. Yet the assumption is questionable, and needs more thorough explorations.

Chapter 5

University Funding

5.1 Introduction

This chapter aims to explore university funding and to see what implication funding changes have, for university autonomy. In 5.2, crucial concepts concerning funding, which are considered to affect university autonomy, are addressed. Then, an overview of changes in financial data is presented, funding mechanisms are discussed, and what changes there have been in funding patterns, and if and how such changes affect the university ethos with respect to university autonomy in England and in Taiwan, are examined in 5.3 and 5.4. This sets up a platform for comparison of both countries, presented in 5.5.

5.2 Concepts concerning Funding and Its Relationship with University Autonomy

No matter how diverse university missions are, resources play an enabling role in allowing them to be realised. As Pfeffer and Salancik (1978) argue, the key to organisational survival is the ability to acquire and maintain resources, and no organisation is completely self-contained. Even though those which seem to be self-contained, such as abbeys and temples, still need to recruit new members from the secular world. Such an argument is also true of universities worldwide. Since resources might exist in different forms, such as finance, expertise, power and authority, the key form of resources needed by universities from an external body is funding, which can provide universities with access to other resources.

Certain notions usually employed to describe the relationship between resource-supplier and resource-receiver include the principal-agent problem in economic terms, and the adage of 'he who pays the piper calls the tune'. The norms and values of 'principal' and 'payer' are dominant, while the value differences can exist, as between the resource-giver and the resource-receiver. Again, one of China's adages 'Fu Chen Shi Lau Da', meaning 'he who pays rules', also corresponds to the dominant values of the one who pays ('Fu Chen'). Likewise, another basic economic truism, namely 'there is no such

thing as a free lunch' is well recognised by resource-receivers. While these notions above have already been widely accepted, doubts about their suitability for application to the relationship between funders, particularly governments, and universities, remain. Williams (1995a) asserts that payer-piper relationships are 'even less valid for higher education than they are for the skilled mechanic' (p. 175) since the expertise of the university professor deserves greater respect. Another situation is also likely to occur - universities play the tune which is interpreted by governments as having been of the governments' own choosing, and then, the 'payer' may not need to insist on calling another tune.

On the principal-agent problem in higher education, Williams (1995a) suggests that there are three credible claimants to legitimacy as principals in higher education, not merely limited to the resource-provider: 'One is the collective will of a society; the second is the particular wishes of individual consumers; and the third is authority given by knowledge and expertise' (p. 176). Williams' proposal of these three possible principals is useful in a review of the relationship between resource-provider and higher education, since the relationship is not merely a matter of money, but also involves with other crucial elements, such as expertise and knowledge. Clearly, whatever the payer-piper theory, or the principal-agent problem, they still represent a simplification of the complex relationship between funders and higher education institutions.

Among sources of finance, governments still play a dominant role in financing higher education in many countries. It is also true of the market-oriented higher education funding in the US, where public funding has, since 1980-1, remained at least 50% of the total recurrent income for public universities, and at least 19% for private ones (Slaughter and Leslie, 1997). Thus, one of the main issues to be examined in this section is whether or not 'the inherent contradiction', in Scott's words (1995), should exist in the relationship between government funding and university autonomy.

In addition, several financial trends have been identified, for example, a diminishing flow of public funding available to higher education in the form of block grants, and universities being encouraged to attract alternative funding streams to enhance their autonomy. The latter financial trend provides as evidence of a pushing of higher education closer to the market. However, as Slaughter and Leslie (1997) argue,

'substitutes often carry stipulations; they require performance of certain acts' (p. 71). The question of whether alternative sources of income have contributed to enhancing university autonomy, needs to be examined, not only theoretically, but also empirically.

5.2.1 The Role of Government Funding

The reasons for governments financing higher education can be looked at from traditional and modern perspectives. As Williams (1992a) argues, the traditional reason was three-fold: governments' desire for, first, influence and often control of an activity; second, for efficiency, and, third, for social equality (p. 136). While the education enterprise becomes larger than before, educational resources appear finite and limited, governments have become much more selective in their resource allocation criteria, and they start to see themselves 'buying' services from , rather than subsidising, universities. Universities have been encouraged to seek alternative sources of income. Demanding more contributions from students and their families, towards covering the costs of higher education, is an increasing trend. Under such circumstances, the financial picture is shifting from public towards private (market-driven). The modern argument for governments continuing financing higher education appears. On the one hand, as Williams (1992a) observes, governments have responsibilities to provide the core funds to keep higher education 'standing apart from society's changing fashions, and from the market' (p. 153), to foster good teaching and basic research to meet the claims of quality and equality and other national priorities. On the other, universities in approaching the twentieth-first century, have existed in an era when the growth of the 'knowledge industry' is serving as a 'focal point for national growth', and the university is 'at the centre of the knowledge process', as Kerr (1995) observes. The 'beneficial side-effects' of universities, in the words of Minogue (1973), attract governments, particularly those in emerging industrialised Asian countries, to embrace them and invest in them.

However, because of the role of government in many countries, remaining as a potential funder to higher education, government is an easy target for blame for the loss of university autonomy, when it changes the way by which it channels its funds to universities. Such blame is partly unfair to government, because no matter who the main funders are, the extent to which the university has autonomy over funds, is critically dependent upon the attitudes which the funders adopt to their use. Quite to the

contrary, as Slaughter and Leslie (1997) remind, the contribution to institutional autonomy made by government grants cannot be neglected, since the nature of government grants can be relatively unconditional, and their relative magnitude usually great, and their criticality for the institutional viability, high.

Certain examples prove this. According to the study of Levy (1980), while the Mexican public universities received more than 90 percent of the total university income from the government, they remained highly autonomous in basic areas of decision-making. Thus, Levy concludes that 'the Achilles' heel' of autonomy of public universities may not be so vulnerable, after all, in the context of Mexico. Another example is universities in the UK where the dominant part of funding came from the government, while they enjoyed highly reputable autonomy, during the period 1945 to 1975. Clearly, at that time government funds were contributing, directly and indirectly, to protection of university autonomy from threatened action from industry.

Funding mechanisms not only consist in allocating resources, but they also reflect the results of the system's historical genesis and of its evolution; in turn, they influence the working of a whole system (Cazenave, 1992, p. 1368), and reveal different institutional governance. According to Williams (1984), there are different ways in which universities may receive funds: while the funding is required from external political or bureaucratic agencies, the bureaucratic model of governance is dominant. While the funding is from institutional property, then collegial model of governance is underpinned. While the funding is required from students and other who consume the services, the market model of governance is evident. However, there is no real system of higher education which is financed as a pure bureaucratic, a pure collegial, or a pure market model. Nevertheless, there is a general assumption concerning the three main models, that is, the freedom of individual institutions is less under bureaucratic allocation model than other resources-allocation models (Williams, 1984, p. 88). While market forces have already informed the goals and aspirations of many institutions and faculty in the US, concerns on whether market forces can apply, and to what extent, to higher education still remain unsettled in many other countries. With regard to the objectives of higher education, some academics, like Becher and Kogan (1992), adopt more conservative views towards pushing higher education into the market. Indeed, as Williams (1992a) remarks, 'the market does work, but not perfectly' (p. 148) and it

requires intervention and regulation, particularly when continuity of funding is the key to good teaching and basic research in higher education institutions.

Although funding methods may be named differently, there are several which are usually mentioned in higher education finance, for example, input-based, output-based budgeting, quality/ performance-based budgeting, contractual, and formula budgeting. Input-based budgeting means that higher education institutions receive their funds calculated on the basis of a funding formula that consists of the input factors, such as enrolment numbers, unit cost for different type of students and programmes, basic operation fees, and can include weightings of certain factors. Output-based budgeting considers factors such as numbers of students successfully recruited and completing courses. Not only as an input factor, student number can be used as an 'output' factor, for example, in the case where universities can not recruit enough students as funded, certain of their funds will be withheld. Normally, one common point for using student number as a funding factor is that, governments have certain controls over student intakes, or they will pay for a fixed number of students. Quality/ performance-based funding makes it explicit that a significant share of government funds is allocated on the basis of institutional quality.

Different formulae in use may be attributable to use of different combinations of the above-mentioned factors, but some differences may be attributable to historical reasons. Usually, the use of formula funding gives an impression that it is an effective and transparent way of resource allocation. However, as Williams (1992a) warns, its effectiveness can be reduced since increasing the complexity of formula may 'distort the signals that the formulae are intended to convey' (p. 129).

Conceptually and operationally, contract funding has much in common with formula funding (Williams, 1992a). For example, the specifications of what the central authorities and the funding agencies want are indicated, and the institutions must meet these specifications if they are to obtain funds. However, two important differences between it and formula funding are,

> *One is that formulae are usually applied retrospectively... whereas contract systems take future commitments... The other difference is that formulae are*

normally open-ended standard price contracts... Contracting... is often a competitive zero sum game, because total public funding for higher education is determined by government before contract negotiations take place. (Williams, 1992a, p. 129)

Several countries, particularly, France and Australia and, to a lesser extent, the UK and Germany among them, have adopted contract funding as one element in financing higher education (for example, Williams, 1992a; Cazenave, 1992; Musselin, 1996). In practice, its symbolic meaning to the changing government-university relationship is more often mentioned than its real statistical impact. However, is Williams' observation (1992a) that the objective of the use of contract system in France is 'to increase institutional autonomy' (p. 129) closer to the reality? Musselin (1996), a French scholar, argues, differently, that the contract policy 'does not deal with less interventionism', but it has been seen as 'a new mode of intervention', introducing more bargaining relationships between the central administration and French universities (pp. 11 &15). With the context in which French higher education institutions exist in mind, Musselin (1996) concludes that the government-university relationships seem very dependent on the good will of the state, rather than implementation of any given policy.

The use of block grants and earmarked funds is another issue to be discussed in examining the role of government funding. Traditionally, the block government grants are assumed to sustain a trusting relationship between the government and universities, and to underpin university autonomy. British universities, during the days of the UGC, were seen as the typical example of block grant funding. However, as Neave and van Vught (1994) remind, the block grant is 'not on its own the creator of immediate flexibility' (p. 290). The extent of its effect 'much depends on what proportion of the university budget it covers and on whether higher education institutions have the right to shift between different expenditure heads' (Ibid.).

By contrast, earmarked funds, in the form of line-itemised budgeting, is also adopted in financing higher education. The nature of such funds conveys a lack of trust between the central authorities and the universities since 'the fear of corruption' is dominant in their relationship (Acherman and Brons, 1989). An example can be found in the funding of national universities in Taiwan, characterised by centralised control in recent

decades. However, to reconcile the interests of governments and those of academic community, both forms of funding, block and earmarked, are usually combined. From 1945 onwards, the UGC, for example, adopted earmarked funds to promote the development of social sciences after the War (Becher and Kogan, 1992, p. 26). Thus, a shift in the percentages as between block grants and earmarked funds, carries a symbolic indicator for observing the government-university relationships.

5.2.2 The Role of Alternative Sources of Funding

The contexts in which universities exist, change. In a mass system, 'everyone can demand some involvement or relationship' with universities, different from that in an elite system where 'most people most of the time did not think about what the university was doing' (Clark, 1998, p. 146). Besides, the conditions attached to government funds are increasing (Slaughter and Leslie, 1997). Several academics argue for enhancing or protecting university autonomy through diversifying university funding bases. For example, Archer (1984) suggests that an educational institution is vulnerable to the suppliers of resources, particularly for those institutions having only one dominant resources supplier. Also, Caglar (1993) argues that universities should diversify their sources of revenue, because 'the best guarantee of institutional autonomy is to have many sources of financing, rather than one, such as the national treasury' (p. 153). Higher education institutions are starting to ask whether it is time for them to earn their autonomy, or to recover the autonomy lost, by attracting more non-government funds.

The sources of university income can be categorised in various ways: governmental versus non-governmental funds, public versus private funds, or the core funding versus supplementary funding. Clark (1998) categorises university funds into three main streams: first, the mainline funding stream is core funding from governments; second, the income is gained from competing for grants and contracts from other governmental agencies, such as research councils; and, third, income may come from diverse sources, such as, industry, student fees, and alumni fundraising. The importance of the third-stream sources for a university becoming entrepreneurial, is emphasised by Clark (1998), who argues that such sources 'represent true financial diversification' and are especially valuable in providing institutions with discretionary money (p. 6). Such an argument indicates Clark's belief in Babbidge and Rosenzweig's maxim (1962) that 'a

workable twentieth century definition of institutional autonomy (is) the absence of dependence upon a single or narrow base of support' (cited in Clark, 1998, p. 7).

The argument that university autonomy is enhanced through increasing second and third streams remains of doubtful force, however. First, no matter what the stream, the nature of funding, for example, the amount, conditional or discretionary, will still be considered in deciding either enhancing, or constraining, university autonomy. Second, the difference between discretionary funds and diverse funds should be noted. When universities are encouraged to attract alternative sources of income, Slaughter and Leslie (1997) remind that alternative sources of income 'often carry stipulations'. Thus, in one sense, diverse funding may not lead to enhanced university autonomy, while discretionary funds really matter in giving universities freedom.

However, in terms of freedom of choice, universities with diverse sources of funding, as Williams (1992a) argues, are 'more genuinely autonomous' (p. 138), since they, theoretically, have a greater chance to have a choice in accepting or rejecting many different sources of funding than the one with one, or few sources of funding. For the latter, the choice does not exist. It will be imprudent to jump into a conclusion that there be a positive link between diverse funding and university autonomy. Instead, there is an important message behind the university's seeking out alternative sources of funding. That is because seeking alternative sources of income is not merely the outward behaviour of organisation, but the university needs to recast its inward perception of its culture and structure to meet more challenges and pressures than ever. In the process of diversifying funding bases, its positive effects on shaping university character may earn the university autonomy.

Finally, certain points need to be noted in concluding this section. First, finance is not the only instrument for governments to influence and modify the behaviour of the university, but compared to others, such as authority and legislation, it can be more easily manipulated. Second, the inherent contradiction between funding and university autonomy not only refers to government funding, but also to other sources of income if they become dominant. Third, the activities of seeking alternative sources of income cannot be treated, though it occurs often, as a norm for all universities. In certain systems, universities are not allowed to generate their own income. Even they are

allowed to do so, another question of whether universities have discretion over the use of them arises. Thus, here, the final point is relative to the context by which the arguments regarding the relationship between funding and autonomy should take into account.

5.3 Changes in University Funding in England

The growing financial dependence of the university on government between 1945 and the mid-1980s, meant that funding gradually became a powerful tool available to the British government, for steering the systems and influencing institutional behaviour. For example, the cuts in the early 1980s and a number of special initiatives which mitigated the worst effects of the former were, as Williams (1992a) observes, 'forerunners of what came to be a more systematic policy of government to steer resources according to its own strategic priorities' (p. 9). Also, incremental government funding is no longer to be taken for granted as was once the case. In this section, relevant financial data of the past two decades, showing the changing patterns in England, are presented, and current funding mechanisms are introduced. The final part of this section discusses the impacts of the changing funding pattern on the university ethos, in respect of university autonomy.

5.3.1 Overview of Financial Changes over the Past Two Decades

As shown in Table 5.1, university recurrent income derived from exchequer block grants fell from 75.1 percent of the total in 1976-77 to 53.0 percent in 1988-89, and continued falling to 39.49 percent in 1996-97. Despite a decline in the form of block grants, the funding council grants still represent the largest single source of income for most of the universities. The figures stimulate reflection on certain issues, given debate on the status of British universities, as independent institutions under their Royal Charters or their legal instruments. Seeking alternative sources of income, and having closer links with industry, are reflected in Table 5.1. For example, summing up items 5, 6, & 7, where income was merely 19.5 percent of the total university income in 1981-82, but can see an increase to 31.8 percent in 1988-89, and 33.9 percent in 1996-97. There has been an increase in fees since 1990-91, and a further substantial increase after home and EU students have been charged with tuition fees since 1998-99, as a result of the Dearing Report. This also indicates an increasing influence of market forces.

Table 5.1 University Recurrent Income in the UK (1976-77 to 1987-88) (£ thousands)

	1976-77	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
Total recurrent income	808 790	1 563 036	1 796 321	1 879 197	1 982 782	2 119 647	2 389 719	2 602 873	2 810 484
Total general income	699 924	-----	1 515 904	-----	1 597 319	1 667 601	1 757 977	1 851 299	1 999 889
Percent of total recurrent income	86.5		84.4		80.6	78.7	77.5	75.7	74.8
1. Exchequer block grants	607 046	978 512	1 016 245	1 205 446	1 225 251	1 258 008	1 311 991	1 367 047	1 482 329
Percent of total recurrent income	75.1	62.6	56.6	64.1	61.8	59.3	54.9	52.5	52.7
2. Equipment and furniture	n.a.	n.a.	76 578	n.a.	n.a.	n.a.	94 586	119 060	102 685
Percent of total recurrent income			4.3				4.0	4.6	3.7
3. Fees and support grants	60 463	268 859	336 620	247 955	260 575	282 536	312 802	339 868	364 446
Percent of total recurrent income	7.5	17.2	18.7	13.2	13.1	13.3	13.1	13.1	13.0
4. Endowments/ donations/ subventions	8 315	14 661	16 182	19 611	22 855	22 055	28 237	33 286	36 430
Percent of total recurrent income	1.0	0.9	0.9	1.0	1.2	1.0	1.2	1.3	1.3
5. Other general recurrent income	24 100	54 812	70 279	78 480	88 638	105 002	104 947	111 098	116 684
Percent of total recurrent income	3.0	3.5	3.9	4.2	4.5	5.0	4.4	4.3	4.2
Total specific income	108 866	----	280 417	----	385 463	452 048	537 156	632 514	707 910
Percent of total recurrent income	13.5		15.6		19.4	21.3	22.5	24.3	25.2
6. Research grants and contracts	89 038	201 529	222 137	259 320	301 815	348 990	410 084	481 276	529 725
Percent of total recurrent income	11.0	12.9	12.4	13.8	15.2	16.5	17.2	18.5	18.8
7. Income for other services rendered	19 828	44 663	58 280	68 386	83 648	103 058	127 071	151 238	178 185
Percent of total recurrent income	2.5	2.9	3.2	3.6	4.2	4.9	5.3	5.8	6.3

Note: 1. 'n.a.': that year the item of equipment and furniture was calculated into non-recurrent income; '---': that year the financial data did not separate specific from general income. 2. Before 1994-95, the data was for all universities in the Great Britain; but since1994-95 available data was including all higher education institutions in the UK.

Table 5.1 (continued) University Recurrent Income in the UK (1988-89 to 1996-97) (£ thousands)

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Total recurrent income	3 202 450	3 899 550	4 258 421	4 693 218	5 211 559	5 676 562	10 038 527	10 647 431	11 143 554
Total general income	2 361 366	2 984 215	3 211 509	3 556 535	3 886 465	4 183 063	---	---	---
Percent of total recurrent income	73.7	76.5	75.4	75.8	74.6	73.7			
1. Exchequer block grants	1 619 570	1 712 133	1 514 505	1 490 969	1 544 529	1 695 131	4 374 054	4 428 169	4 400 038
Percent of total recurrent income	50.6	43.9	35.6	31.8	29.6	29.9	43.57	41.59	39.49
2. Equipment and furniture	121 413	115 889	121 753	119 047	131 754	156 859	---	---	---
Percent of total recurrent income	3.8	3.0	2.9	2.5	2.5	2.8			
3. Fees and support grants	398 585	542 191	880 148	1 167 362	1 312 317	1 340 701	2 248 615	2 508 772	2 698 701
Percent of total recurrent income	12.4	13.9	20.7	24.9	25.2	23.6	22.40	23.56	24.22
4. Endowments/ donations/ subventions	47 036	129 914	155 284	174 972	199 216	233 199	240 193	262 416	269 446
Percent of total recurrent income	1.5	3.3	3.6	3.7	3.8	4.1	2.4	2.46	2.41
5. Other general recurrent income	174 762	484 088	539 818	604 184	698 649	757 172	1 722 544	1 906 228	2 133 033
Percent of total recurrent income	5.5	12.4	12.7	12.9	13.4	13.3	17.16	17.90	19.14
Total specific income	841 083	915 335	1 046 912	1 136 684	1 325 094	1 493 499	---	---	---
Percent of total recurrent income	26.3	23.5	24.6	24.2	25.4	26.3			
6. Research grants and contracts	628 509	752 267	862 642	924 156	1 085 779	1 217 498	1 453 122	1 541 846	1 642 336
Percent of total recurrent income	19.6	19.3	20.3	19.7	20.8	21.4	14.48	14.48	14.74
7. Income for other services rendered	212 574	163 068	184 269	212 528	239 315	276 002	---	---	---
Percent of total recurrent income	6.6	4.2	4.3	4.5	4.6	4.9			

Source: Compiled by the researcher from financial data in HESA.

Table 5.2 Income Structure Comparison by Institutions in England (1996-97) (£ thousands)

Group of University			Pre-1992 Universities									Post-1992 Universities			
Type of Funding Pattern			Type 1				Type 2				Type 3	Type 4			
	UK	England	Oxford U[3]	Cambridge U[1]	Imperial College	UCL	Liverpool U	Bath U	Keele U	Warwick U	LSE	Green-wich U	Luton U	Ply-mouth U	Teeside U
Total Income	11143555	9103441	284916	282372	210012	294958	156922	69310	53137	138706	73783	99665	43473	90812	47786
Funding council grants	4400038	3503666	82474	85002	60719	87995	60454	26915	16811	40618	17553	38428	17826	43533	21989
Percent of total income	**39.49**[1]	**38.49**	*28.59*	*30.10*	*28.91*	*29.83*	**38.52**	**38.83**	**31.64**	**29.28**	*23.79*	**38.56**	*41.00*	**47.94**	**46.02**
Academic fees & grants	2698701	2282644	37439	39648	28781	44977	28373	13551	11721	31937	29868	24283	18390	30560	17118
Percent of total income	*24.22*[2]	*25.07*	13.14	14.04	13.70	15.25	18.08	*19.55*	*22.06*	*23.02*	**40.48**	*24.36*	**42.30**	*33.65*	*35.82*
Research grants & contracts	1642336	1365633	107031	93603	80174	97276	33355	13329	8429	21508	9492	10826	584	4025	640
Percent of total income	14.74	15.00	**37.57**	**33.15**	**38.18**	**32.98**	*21.26*	19.23	15.86	15.51	12.86	10.86	1.34	4.43	1.34
Other services rendered	612790	459881	7337	8756	5869	26477	9490	4967	1561	5486	1237	15707	810	2554	2521
Percent of total income	5.50	5.05	2.58	3.10	2.79	8.98	6.05	7.17	2.94	3.96	1.8	15.76	1.86	2.81	5.28
Other general operating income	1520243	1265936	32278	24384	31183	31033	19736	8858	13844	37610	11716	8681	5791	9057	4894
Percent of total income	13.64	13.91	11.33	8.64	14.85	10.52	12.58	12.78	26.05	27.11	15.9	8.71	13.32	9.97	10.24
Endowment & interest	269446	225680	18357	30979	3286	7200	5514	1690	771	1547	3917	1740	72	1083	624
Percent of total income	2.42	2.48	6.44	10.97	1.56	2.44	3.51	2.44	1.45	1.12	5.3	1.75	0.01	1.19	1.31

Note: 1. '**BOLD**' figure: the dominant funding stream. 2. '*ITALIC*' figure: the second major funding stream. 3. Concerning the financial data for Oxford and Cambridge, the collegiate fees are not reflected in the Table of general income. 4. Type 5: The University of Buckingham (1996-97-Overseas student fees: 60%; tuition fee: 20%; business and industry: 10%; research council: 2%; and others: 8%) *Source: Compiled by the researcher from the financial data in the HESA.*

Through analysis of financial data (1996-97) of individual institutions, variations of funding patterns can be observed, and five types of pattern emerge (see Table 5.2). The universities whose research grants and contracts represent the first funding stream, and with a percentage of HEFCE grants lower than the average in England, are identified as Type 1. It includes Oxford University, Cambridge University, Imperial College of Science, Technology & Medicine, and University College of London. The difference between them is that Oxford and Cambridge have more income from endowments and interests than the other two institutions. The universities whose HEFCE grants represent the first funding stream, but whose research income maintains a significant portion of total income, are identified as Type 2. This includes Bath University, Lancaster University, Liverpool University, Keele University, Sheffield University, Southampton University, and Warwick University. The universities whose academic fees and support grants represent the first funding stream, and HEFCE grants only comprise a small portion, are identified as Type 3. This includes the London School of Economics and Political Sciences, City University, and Cranfield University. The university whose HEFCE grants represent their first funding stream, but with less significant portion from research income, are identified Type 4. The funding pattern of the post-1992 universities and of several pre-1992 universities (such as, University of Exeter and University of Hull), belongs to Type 4. Finally, the funding pattern of University of Buckingham as a private institute can be identified as Type 5.

5.3.2 Current Funding Mechanism and Arrangements

One of the significant characteristics of university funding pattern in England concerns establishment of intermediate funding bodies, as a buffer between government and university. It is necessary to give an overview of the transition of the funding bodies, which receive funds from the DfEE parliamentary vote, and allocate these funds to higher education institutions. (see Figure 5.1)

Since 1993, the HEFCE has been in charge of allocating exchequer grants to universities and higher education colleges in England, and its grants remain the largest single source for most English universities, even though it is lessening as a percentage of the total recurrent university income. The HEFCE has continued, from the UGC, the separate calculation of funding for teaching and research, and a policy of selectivity in allocation of research funding. More importantly, the Council still remains to provide

funds in the form of block grants which higher education institutions are free to allocate according to their own priorities, but within HEFCE guidelines.

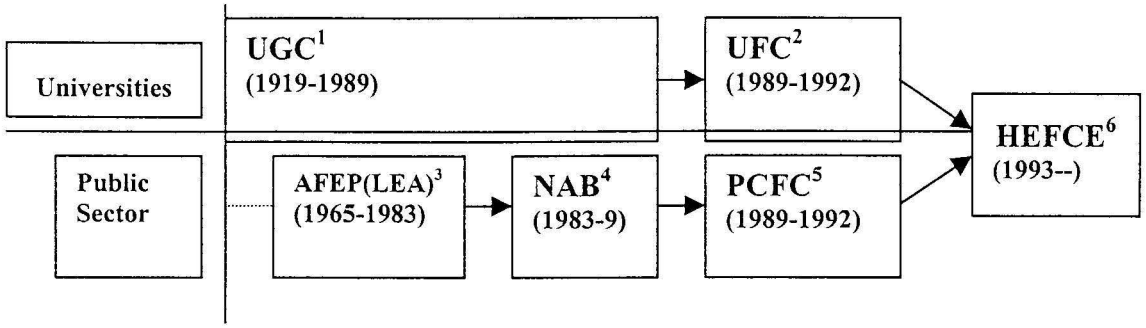


Figure 5.1 Transition of Funding Bodies in England

1. UGC: Universities Grants Committee. 2. UFC: Universities Funding Council, replacing the UGC as a result of the Education Reform Act in 1988. 3. AFEP(LEA): Advanced Further Education Pool, allocating funds from Local Education Authorities for public sector higher education. 4. NAB: National Advisory Body for public sector higher education; pool funds were allocated on the advice of the NAB. 5. PCFC: Polytechnics and Colleges Funding Council, replacing the NAB as a result of the Education Reform Act in 1988. 6. HEFCE: Higher Education Funding Council for England, unifying the UFC and PCFC as a result of the Further and Higher Education Act in 1992, which abolishes the binary system established in 1965.

The funding formula for teaching considers factors such as number and types of students, and subject-related factors, and institution-related factors (HEFCE Guide 98/67). On number of students, the universities have to follow the regulations, stated in the financial memoranda. Two terms should be noted, namely, the Contract Student Number (CSNs) and the Maximum Aggregate Student Number (MaSN). If the institutions do not satisfy each criterion, the HEFCE grants may be withheld. There will be no reduction in grant for those institutions which recruit award holders above their assigned MaSN, within 2 percent for 1999-2000, compared to 1.5 per cent for 1995-96. Since 1995, the HEFCE have considered, but not formally incorporated, the results of the teaching quality assessment (TQA) into funding calculations. For those cost-centres, where any aspect is graded 1 or 2 will be reassessed within 12 months, and unless it has improved, the Council has the right to withdraw some or all of the funding for student places in that subject in the following years.

Most HEFCE research funds (97.6 percent in 1998-99) are distributed selectively to higher education institutions according the results of measurement of the institutional capacity in doing research, or in managing the research assessment exercises (RAEs). The funds primarily contribute to the salaries of permanent academic staff, and to premises, and central computing costs, while the research councils provide for direct project costs and contribute to indirect project costs. Although the Council provides a block grant for research, which the institutions can use at their discretion, the institutions must account for their use of research funds in annual reports to the Council.

The HEFCE also provides some capital funding and money for new initiatives. For some capital projects, the Council, each year, sets up criteria, and then invites bids from the institutions to fund new projects to be completed over a period of two or three years. For specified purposes, the Council would provide 'earmarked funds' which would require those institutions which received such funds to assign activities spelled out by the HEFCE. Although the HEFCE funds still offer universities more discretion over internal resource allocation, the formation of the contractual relationship between the government, the HEFCE and universities, changing from an implicit (a system of grants; secretive funding allocation criteria in the days of the UGC) towards an explicit (a system of contract; and performance-based formula funding, and the right to withdraw funding) basis, cannot be neglected.

Apart from the HEFCE and research councils, higher education institutions receive research funds from other government agencies, industry and charities, and other funds from private sources. With regard to the latter, English universities have participated in the competition in the market. Although different routes of private funding come into universities, main sources include student fees, sales of research, consultancy, and teaching services, ownership of income earning assets, endowments and donations, and letting universities' facilities and building. In total, such funds, as shown in Tables 5.1 and 5.2, have increased, and even reached considerable levels in certain universities, like the University of Keele and the University of Warwick.

5.3.3 The Impact of Funding Patterns on the University Ethos, in Respect of University Autonomy

One important justification for accepting and depending upon government annual grants appeared in the UGC memorandum in 1944. The UGC claimed that 'the acceptance of Exchequer money through the UGC tends to be less injurious to academic independence than reliance on municipal contributions and private benefactions' (cited in Shinn, 1986, p. 277). Since the block form of government annual grants was recognised, as an income, not so different from an endowment (Eustace, 1982, p. 284; Williams, 1984, p. 93), it was possible for British universities during the period 1945 to the late 1970s to escape the inherent contradiction between accepting government funds and maintaining their autonomy. The UGC block grants modified the payer-piper principle into 'he who pays the piper listens to the music' and the principal-agent problem into 'the principal does not specify in detail what the agent is to do' (Williams, 1995a).

However, many scholars, like Shattock and Berdahl (1984), Becher and Kogan (1992), and Scott (1995), have observed that the UGC was gradually transformed from being a buffer body into a planning and executive agency. The difference is that the former is 'designed to insulate the autonomous domain of the universities from direct and detailed intervention by Whitehall', but the latter is 'responsible to ministers for planning university development' (Scott, 1995, pp. 15-6). Such changes have been embodied, first, in changes in UGC funding allocation strategies, and, then, in its successive bodies. By the end of the 1980s, a system of grants, previously assumed in the operation of the UGC, had been replaced by a system of contract, leading to 'greater precision in the specification of what is expected of institutions in return for public funding' (DES, 1987b; cited in Becher and Kogan, 1992, p. 64). More explicitly, the funding allocations were 'to be backed by financial memoranda which had the effect if not the precise legal status of contracts' (Williams, 1992a, pp. 10-2). The shift, from the grant letters to the financial memorandum which required the signature of each institutional chief executive, also conveys a certain symbolic meaning for the changing government-university relationship.

Unlike the Scottish and Welsh councils which were newly created, the HEFCE was heir to several different traditions, as Scott (1995, p. 27) observes: an elite tradition inherited

from the UGC and the UFC; the mass tradition inherited from the local education authorities, the NAB and the PCFC; finally, a regulatory tradition, inherited from the role once played by the Council of National Academic Awards (CNAA) and Her Majesty's Inspectorate (HMI) in the non-university sector. The HEFCE adopted mixed methodologies for allocation: in terms of funding for teaching, its allocation is based on the PCFC practice, broadly egalitarian, while funding for research is inherited from the UGC selective research assessment exercise. Despite its status as a quango, the job of the HEFCE tends 'to implement the government's predetermined objectives' (Scott, 1995) and to align itself with the government's agendas, rather than standing with higher education institutions. On the surface, funding and planning go hand in hand. However, while the HEFCE has to plan according to government's, rather than their own, agendas, Scott (1995) suspects that the HEFCE is a "funding" rather than a "planning" body. More subtle, this shift, probably did not lead to an increase in institutional autonomy, because the control system still remains the same, just being repositioned, and the 'gap' created by the HEFCE retreat from planning, has inevitably been filled by the government, rather than by institutions (Scott, 1995, pp. 29-30).

Clearly, there exists a contradiction between the views of academics and those of government concerning the function of the HEFCE. Government documents and reports seem not to acknowledge any change in the function of the HEFCE, as acknowledged in academics' criticisms concerning the funding body acting as an government agency rather than a buffer body since the 1980s. For example, the Dearing Report in 1997, regards the practice of the intermediate funding body as a 'buffer' (para. 22.10 & 22.11). Again, the newly-published quinquennial government review of the HEFCE, in March 1999, still assumes that the HEFCE still retains its traditions, namely, as a 'buffer' operating at arm's length from the government. Despite the difference between academics' views and government reports, and the fact that the HEFCE is acting more in line with the government policies, another feature cannot be overlooked in maintaining institutional autonomy, that is, the government has no power to attach any conditions to funds received by individual institutions. To some extent, this feature still avoids political involvement directly into the affairs of individual higher education institutions, though the HEFCE can set out the terms and conditions in financial memorandum to individual higher education institutions.

As argued in the introduction of this chapter, for English authorities and universities, there will remain an issue, that of balance between funding and autonomy, so long as finance remains a powerful tool in conditioning the behaviour of the university. Table 5.3 shows that different routes English universities receive funds can be used to predict form of organisational behaviours. Meanwhile, it also clarifies that it is a misunderstanding to claim, as in the study of Goedegeburre *et al.* (1994, p. 335), that the block grant in the UK has been 'replaced' with a system based on buying and selling of education services, whereas higher education systems in several European countries have moved away from earmarked funding to the allocation of block grants. The ultimate form of block grants in England remains in place, but the process of calculation bases on an idea of buying and selling education service. Basically, institutions are 'free to distribute internally at their own discretion', as long as HEFCE grants are used to support teaching, research and related activities (HEFCE Guide, 98/67).

Table 5.3 Income Sources and Prediction of Organisational Behaviours

Sources of finance	% of Total university income (1996-97)	Funding Methods	Form of University Behaviour Predicted
HEFCE Grants[1]	38.49	Formula-based for teaching Quality-based for research Given in the form of block grants	bureaucratic +collegial
Academic fees & support grants	25.07	Fees and grants from G Sales of academic service	bureaucratic (who decide Home student tuition fee level) Market
Research grants and contracts	15.00	research councils contracting	bureaucratic market
Other services income	18.96	Sales of academic service	market
Endowment & Interest receivable	2.48	independent property income	collegial

Note: 1. They are not strictly 'grants' since 1988, but, in the HEFCE documents and publications of the Higher Education Statistics Agency (HESA), the term 'HEFCE grants' is still used.

Source: combined Table 5.2 with the revision of Williams (1984) 'relationships between financing universities and their organisational behaviour' by the researcher.

Accompanied with the collegial behaviour is the increase in the impact of bureaucratic and market forces in university organisational behaviours. Thus, as Williams (1992a) concludes, 'the real challenge, for higher education institutions as well as national funding bodies in Britain, will be to retain the best features of the collegial and the bureaucratic models while responding positively to market opportunities' (p. 141).

In respect of this aspect of the changing funding pattern, there exists a question, of whether or not a culture of compliance has been formed, through linking performance with funding, in the government-university relationship. Scott (1997) suggests that the proposals in the Dearing Report 'contribute to the development of a compliance culture'. On reviewing the Report, it is found that a compliance culture can be observed in Recommendations 2, 24, 59 and 72, in which the Dearing Committee particularly recommended that the government and the funding body consider linking funding to the degree of institutional compliance with all codes of practices from the QAA, or the funding bodies.

Finally, recent developments suggest that government intervention probably extends to those activities, which may not be linked with government funding. In the past, the funding bodies set requirements, and the latter were basically confined to those activities which were financed by the government. Thus, those elite universities whose government funding portion represented less than one third of their income, they still had great discretion over their own affairs. However, the Dearing Committee recommended that the QAA create a UK-wide pool of academic staff recognised by the QAA, from which institutions would have to select external examiners (Recom. 25). Also, the institutions should have their staff training programmes accredited, and should only appoint new staff who are the members of the Institute for Learning and Teaching (ILT), in fact recently established. In a sense, these developments which will limit institutions' freedom to select their external examiners, and appoint staff, cause academics and universities more concern.

5.4 Changing Patterns of University Funding in Taiwan

5.4.1 Overview of Funding Changes over Recent Years

Due to an incomplete coverage of available financial data, it is difficult to review

financing of both national and private universities over the past two decades. On the other hand, for national universities, there is no need to see their unitary financial pattern before 1995, when they were completely financed by the government. Since 1995, the funding pattern for national universities, has begun to change, from being "completely" financed to being "primarily" financed by the government, and responsible for generating some proportion of their recurrent income. Many Taiwanese scholars might agree with the claim that various funding patterns are starting to become apparent, along with a growing differentiation in the ways institutions generate income. Table 5.4 shows that there is one single, dominant funding stream, representing over 50 or 60 percent of the total recurrent income, in either national or private universities. However, the source of income differs. The greatest single source for most private universities is tuition fees, but for national universities it is the MOE funding. Another difference is the percentage of income from research grants and contracts. Although it is slightly increasing, in private universities, it reflects their disadvantaged position, in competing research funds, with their national counterparts. The figures in Table 5.4 reflect the fact that the MOE financial support to private universities may no longer increase to any significant extent, even though the MOE has promised to give them more financial support.

Table 5.4 Funding Patterns in Private and National Universities over Recent Years in Taiwan

	Private Universities				National Universities			
Sources of income / Year	Tuition fees (%)[1]	Research grant & contract (%)	Others (%)	MOE funds (%)	MOE funds (%)	Tuition fees (%)	Research grant & contract (%)	Others (%)
1992-93	65.05	0.00	19.63	15.32	100% of university expenditures were paid for by the government, but all university revenue had to be returned to the Treasury.			
1993-94	61.42	5.53	21.89	11.16				
1994-95	61.73	5.28	19.34	13.65				
1995-96	60.34	5.50	19.88	14.27				
1996-97	57.64	5.18	24.03	13.14	66.46	10.76	18.12	4.65
1997-98	53.08	5.07	27.44	14.41	65.31	12.16	16.81	5.71
1998-99	--	--	--	--	62.81	12.95	17.36	6.88

Note: 1. % of the total recurrent income of universities

Source: Compiled by the researcher from the annual financial statistics of university, produced by the

Accounting Department, MOE.

There are several points to be noted, regarding variation in income structure between institutions, particularly between private ones, as shown in Table 5.5. First, the percentage of income from research grants and contracts differs. For example, it represents over one-fifth of the total recurrent income in National Taiwan University and National Normal University, but it is an insignificant figure in National Chengchi University, and in other private universities. Second, a differentiated pattern emerges: some of new private universities do not follow the pattern of the private universities' heavy dependence on tuition fees. Chang Ging University and Nan-Hua Institute of Management, for example, have a distinctive pattern, which reflects the ideas which underpin their management principles. Both universities were founded with strong financial commitments from their founders. However, the former has aimed at becoming a research university, while the latter set its goal as 'education' of, and benefiting, the public, and society generally, with a no-tuition fees policy.

Table 5.5 Income Structure Comparison by Institutions in Taiwan (1997-98)

Sources of income / Universities	MOE funds	Tuition fees	Research grant & contracts	Other funds (sale of services/ endowments/ interests, etc.)
National Universities				
1. National Taiwan U.	63.88	8.07	24.01	4.03
2. National Chengchi U.	78.00	12.23	3.59	6.17
3. National Normal U.	55.94	14.27	23.80	5.99
4. National Kaohsiung Normal U.	71.52	14.43	2.71	11.33
5. National Taipei Technology U.	86.10	11.06	1.48	1.37
Private Universities				
6. Ming-Chuan U.	16.54	77.62	2.37	3.47
7. Tamkang U	14.41	71.77	6.08	7.74
8. Fu Jen Catholic U.	12.25	62.81	3.76	21.18
9. Taipei Medical College	23.77	56.30	8.47	11.46
10. Tatung Institute of Technology	29.15	44.12	1.76	24.97
11. Chang Ging U.	5.12	5.82	2.27	86.79
12. Nan-Hua Institute of Management	1.01	0.00	1.29	97.29

Source: Compiled by the researcher from the annual financial statistics of university, produced by the Accounting Department, MOE.

5.4.2 Current Funding Mechanisms and Arrangements

5.4.2.1 Funding Mechanisms for National Universities

National universities in Taiwan have very close links with central government, particularly the MOE. Their staff are government employees and the financial matters are closely regulated by legal and administrative regulation. National universities have to follow the budgeting procedures, based on the system of the Official Government Budgeting (OGB), in drawing up their budgets, and individual university annual budgets have to be approved by Parliamentary vote. Before the end of October within a fiscal year, the Executive Yuan sets the governmental policy guide for the following year. This guide represents the highest authority in directing the budget preparation and its priorities, and budget instructions are distributed to each spending unit. The detailed instructions for the submission of requests, issued to all central agencies, are set up by the Directorate General of Budget, Accounting, and Statistics. National universities prepare their annual budget estimates based on the guidelines set by the MOE according to the above mentioned guidelines. The funding formulae have several main components: personnel salary (according to national salary scale) and expenses; a designated basic fund plus the formula which take account of certain factors, such as, type of subjects, programmes and students, newly-established departments, and maintenance fees, according to the size of campus. Once the drawing-up of the annual budget estimate is done, the cumbersome administrative and legal procedures has just started. Many rounds of revisions and re-submissions are inevitable.

It is, in effect, a line-by-line itemised budgeting. Such budgeting does not give individual universities much discretion over internal resource allocation. Under the OGB, national universities had little or no incentive to attract alternative sources of income, because all revenues attracted had to be returned to the Treasury, including tuition and fees, gifts and donations, income from sale of services. Due to the prohibition of carry-over of the surplus to the next year, it was a common phenomenon that before the end of the fiscal year, for example, universities tried hard to 'digest' the assigned budget; otherwise, they had to submit a written report, and might receive reduced funds in the next fiscal year. National universities used to spend all funds given by the government rather than managing them with economy, efficiency, and effectiveness. The way in which national universities used public resources has been

long criticised.

Under such criticisms, and constrained availability of government funds to higher education, a new funding scheme for national universities, called the University Development Foundation Fund (UDFF), was introduced in 1995, and was optional until 1998. Under the UDFF, the national universities can keep all their revenue, but they must raise funds from elsewhere for 20 percent of the total recurrent university budget. It also means that the remaining 80 percent of the recurrent income still comes from the government. However, if universities cannot achieve this target, they must eliminate their expenditures in certain areas which are selected by them. This is a new way to stimulate universities to start to manage their resources efficiently.

However, problems occurred. Universities' discretion over use of income earned by them is limited by a complex network of legal and administrative regulations, for example, they are neither allowed to employ extra staff, nor allowed to invest money in the market. On the other hand, universities fear that they might gain a 'punitive' result, that is, their achievements might lose them their share of the government financial commitment for the next year. Although the MOE promised to remove such disincentives in order to enhance national universities' motivation for income generation, other government agencies concerned appear to have continued to act in accordance with their stereotyped view of national universities, according to which the latter waste public resources in many ways.

Annual capital budget requirements for each institution are also independent of the relevant formula, because the MOE will consider the institutional development plans against actual needs. Institutions receive different amounts of capital funding primarily as a result of their size and academic orientation, or, the government policy priorities on newly-established university, particularly the scientific and technological institutions. Besides, it is an acknowledged fact that the political power wielded by an institution's president has influence on the capital amount institutions may receive.

Regarding research funding allocation, the National Science Council is similar in function to the research councils in the UK. It is the main government agency to allocate research funding. In essence, the Council allocates research funds according to

individual academics' proposals which must be sent through their universities. Several committees of professionals in the Council make the decisions. When the academics make their proposals, they have to follow written rules concerning pricing of projects, and, to increase the possibility of obtaining funds, they also have regard to the research which the Council is looking to fund. After approval, five percent of research funds of individual projects will go to the universities for administration costs. National universities also work with other government offices, and industry, to obtain research funds.

5.4.2.2 Funding Mechanisms for Private University

Before the mid-1980s, private universities were expected to be completely responsible for their costs, but they were required to charge the standard level of tuition fee, rigidly set up by the MOE. Many legal and administrative regulations were in place to determine the way in which they used their own resources, in order to avoid the risk of financial collapse and consequent closure. The tight control did not give them a chance to make the most use of their resources, for example, reserves were only allowed to be saved on deposit, in the bank, but not allowed to be invested in the money market. Thus, private universities, which did not enjoy public resources, were subject to an even more rigid control than their national counterparts. If applying the adage of 'he who pays the piper calls the tune' to describe the relationship between the government and private universities, the phrase will become very paradoxical - 'he who doesn't pay the piper still calls the tune'.

With regard to strategy of resource management, what the private universities do may not be different from enterprise corporations. The concept of cost-benefit is emphasised. Securing sufficient funding to cover their substantial costs is still a challenging task. They make efforts actively to seek out income sources, through their marketing and public relation activities. Attracting prospective school leavers and mature students is an example. This tends to be challenging, but vital, since fee income represents the single dominant funding stream for most private universities. In the past decades, given the pecking order between institutions, it was hard for private universities to recruit enough student numbers, approved by the MOE, let alone recruit the top-graded school leavers. Through recent efforts in marketing and improving their images, the situation is changing. Competition for students between private and

national universities is beginning to appear, whereas, in the past, national universities never thought too much about how to attract students. Several private universities established after the open policy of the government in 1987, have shown potential to compete with other national universities in terms of attracting high profile academic staff, and research funds.

The gap in unit cost for a student between national and private university has been considerable. Though the government has tackled this problem by offering private universities subsidies for upgrading facilities and improving their teaching profile (more full-time academic staff with a PhD degree), the gap is still evident. For example, while a private university student paid more than twice as much in tuition fees as a national university student, he or she enjoyed only half the level of resources. The average expenditure per student in higher education was, in 1996-7, over £4,000, that for a public university student was over £6,000, but that for a private university student was £2,611. The staff-student ratio in private universities was 20.70 whereas that in the national universities was 11.83.

To obtain government funds, private universities are required to submit their academic and management plans, and mid-term and long-term development plans, to the MOE. The latter allocates the funds on the basis of a formula considering the following indicators: teaching, research, management, the degree of the execution of the mid-term plan and how effectively they use previous-year government grants. In effect, the MOE subsidies are deficiency grants by which the central government makes good the deficiency between what is believed to be needed to provide satisfactory education in private universities, and what is considered reasonable to expect them to raise from their own resources. Thus, private universities which receive the government grants have to assign a portion of their own resources equal to the level of 20 percent of the total government funds aside for improving quality of universities' education and services. However, Liu (1995) argues that the subsidies from the MOE merely create a way for government intervention into the affairs of private universities, but the existing problems, more related to heavy regulations in limiting how private universities use their own resources, remain unsolved.

Although the allocation of research is made by several committees of experts from

different fields in the National Science Council, most projects which have been approved by the Council are applications from national universities. The reasons for difficulty of access to public research funds, by private universities, are many-fold. First, 'historically' the committee members were staff from the national universities; thus, they were both player and referee. Second, private universities had more undergraduate programmes than postgraduate ones. Thus, the teaching element loading for the private universities was higher than for their national counterparts; and the time for staff doing research was limited. Nevertheless, with the growth of new views towards research, realising its contribution to upgrading an institution's image, the founders and the boards of trustees of private universities are willing to provide more resources to encourage their staff to compete for funds, not only from the Council, but also from other government agencies, and from industry. The environment for research in private universities is improving. Private universities have started, though only two or three to date, to pave the way to developing themselves into research universities.

5.4.3 Funding Patterns Changing the University Ethos, in Respect of University Autonomy

University governance culture in Taiwan, mentioned in Chapter 3, is shifting from the bureaucratic and political model to a mix of collegial (academics have more say, not only in academic, but also in non-academic institutional matters), bureaucratic, and political ones. The change in the funding mechanism for the national universities represents an organisational cultural shift, with which universities and their academics are having difficulties in coming to terms. In the past, the national universities could lay blame on the MOE for being overly in control, giving universities little autonomy. However, universities used to ignore their financial over-dependence upon government. Under the new funding scheme (UDFF) which requires national universities to generate from elsewhere for 20 percent of their total recurrent income, financial management, suddenly and the first time, becomes a task for the national universities to learn from corporate business as their private counterparts do. While national universities assume it as the way to realise academic autonomy, granted by the revised University Act in 1994, the implications of the UDFF scheme for financial autonomy can be significant, in theory, if not in practice.

Overall, university autonomy for national universities might suffer within the

bureaucratic resource-allocation control model, but it must be said, in the interests of balance, that government funding which contributed to the development and expansion, still plays a core role, in helping national universities to move forward to earn alternative sources of income. Seeking alternative sources of income stimulates an increase in the influence of market forces in financing higher education which may revive the moribund operation of national universities because competition for attracting students, raising funds, and research funds with private universities is vigorous. However, it is clear that there is a long way for national universities to go, before they might be described as market-led, because the interventionist government policy (over-protection) still dominates in financing national universities.

Paradoxically, private universities in Taiwan have often been caught up in the dilemma. Their finance has been market-led, being dependent heavily on student tuition fees and sales of services. The government tries to control the price universities can place on their services, and the amount and variety of services they can sell. Private universities are encouraged to operate in the market, but they are not given substantial freedom to make their own choices. Now the competition for resources has become severe after national universities engaging energetically in fund raising since 1995. The only chance for private universities to compete with national universities, in terms of resources, is establishment of sources having the continuity of financial commitment, similar to that of the government financial contribution to national universities. Such financial commitment is more likely to come from their founders than other parties. On the other hand, academic achievements of private universities have changed their public image, which gradually generates more resources for them. In recent years, several successful cases show that private universities may not be doomed to be down the end of the university league table, and this achievement is a real investment to their future.

Finally, though national universities can generate and keep their alternative sources of income, they have begun to experience difficulties similar to those that private universities have encountered, since their discretion over their 'earned' income is limited by the existence of heavy legislation and regulations. The call for revision of the legal and administrative structures is clear, but it is a time-consuming task, and also involves the good will of the central government agencies. The question of whether there are opportunities for universities to enhance their potential and capabilities in a

way which can result in more autonomy for them, would merit addressing.

5.5 Similarities and Differences

Comparing Table 5.5 with Table 5.2, the financial picture among English universities is more diverse than that in Taiwan. For example, in Taiwan, the MOE funding remains the dominant funding-stream in 28 national universities, and income from tuition fees represents the most important single funding-stream in most private universities. By contrast, for the universities in England, either HEFCE grants, academic fees and support grants, or research grants and contracts, may variously be the dominant funding-stream in different universities. Interestingly, funding pictures in both countries can be shown on the following continuum.

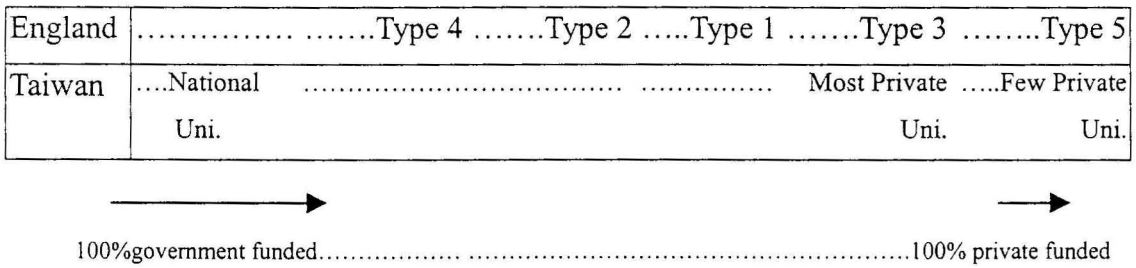


Figure 5.2 Continuum between Universities' Being Government-Financed and Private-Financed

There are several differences in funding mechanisms between the two countries. One big difference is the existence of an intermediate funding body. The establishment of an intermediate funding body, in England, has been claimed as a sign of a trusting relationship between government and universities (Eustace, 1994). Most of the HEFCE grants are given to universities in the form of block grants. Although the government can attach specific conditions to the funding for the HEFCE, the government cannot attach conditions to any funding allocated to individual institutions. By contrast, political involvement in deciding the annual budget of individual national universities in Taiwan, is common, because every line of budget must be approved by the vote of members of parliament. To moderate this political and bureaucratic involvement, the former Education Minister, in post from 1991-1994, approved a study on the feasibility of creating an intermediary funding body in Taiwan. However, the study was never published and no action has been taken. Academics in Taiwan might find it a comfort,

to suspect that the existing system environment might turn such an intermediary body into another bureaucratic layer, rather than acting as a buffer.

Second, governments in the two countries use different ways to express their contracts with their universities. The financial memorandum is adopted in England. The existence of the financial memorandum as a contract, and the universities need to be clear about what educational provisions they need to make, in return for the council funds. While the universities use the funds from the council, they need to comply with, not only the 1992 Act and the financial memorandum, but also with 'any other conditions that the council may from time to time prescribe' (HEFCE Circular, 15/97). The government-university financial relationship in England is gradually becoming formal and explicit, and such a development is starting to cause more concern for those whose council funds contribute merely one-third of their total recurrent income. By contrast, universities in Taiwan, have experienced an explicit and formal government-university relationship since a higher education system emerged there. Financially, line-by-line budgeting itself is a contract, in which the university must fulfil all the functions attached to the assigned funds. Besides, when the universities use their 'earned' income, they need to follow legislative provisions and regulations concerned. The MOE promises universities to relax certain rigidity, through revision of legislation and regulation. However, the prospects are not very good, because it is difficult to change the past 'distrustful' attitudes in other government agencies, and in Parliament, toward universities, in terms of the way they use resources.

Third, in reviewing the primary motive of governments in financing universities in both countries, another significant difference is noteworthy. The issue of university autonomy has been a concern in the UK, but never appeared in Taiwan. As explored in 5.3.3.1, from the very beginning, to lessen the fear of the UGC, and of some universities, that increasing financial dependence upon the government would threaten university autonomy, government grants were given universities on a 'deficiency' principle. The UGC made a statement in its memorandum in 1944, claiming that 'the acceptance of Exchequer money through the UGC tends to be less injurious to academic independence than reliance on municipal contributions and private benefactions' (cited in Shinn, 1986, p. 277). The British universities escaped the inherent contradiction between accepting government funds and maintaining their autonomy during the period

1945 to late 1970s. By contrast, the way by which the Taiwanese government financed higher education institutions was similar to that by which it financed other levels of education. Clearly, this was related to the purpose of education, which was recognised as a prime instrument in establishing the national identity, and in economic growth. These political and economic goals of government outweighed that of having or fostering university autonomy.

Finally, block grants and earmarked funding, are, respectively, seen in the universities in England and in Taiwan, though market forces are intervened, from time to time, by government policies on higher education in both countries. However, the beneficial effects of the block grants, in England, have been emasculated in many ways. In practice, guidance in the forms of 'advice' from the government and quangos implies 'instruction', and it is becoming harder for English universities to ignore such guidance. Since the 1980s, the government in England has taken a series of actions to condition universities' behaviour by linking the progress of their implementation of certain programmes and degree of compliance to codes of practice with funding. In the House of Commons Official Report, the Minister, Kenneth Baker (1986), told the Parliament that progress (in programmes, such as, development of the policy selectivity, the rationalisation of small departments, and improvement of standards of teaching) 'will be closely monitored, and future funding of the universities will depend significantly upon its implementation year by year' (cited in Tasker and Packham, 1990, p. 85). Similar views are also reflected in the recommendations of the Dearing Report (1997). The government has been given more formal power over universities, for example, in the Education Reform Act (1988), the Further and Higher Education Act (1992), and the Teaching and Higher Education Act (1998). Through the funding changes and the enactment of legislation, a compliance culture is promoted.

A further subtle development is under way in England, that is, the government intervention seems to extend to those activities which may not be linked with government funding. Most universities can accept the financial memorandum accompanying HEFCE funds as a contract between the government and the universities. However, the government establishes certain mechanisms to guide, if not to instruct, universities how to deliver their contracts. (see Chapter 8 for respondents' views) Subsequently, the government has enlarged its area of influence, not only over

university funding but also over other areas of higher education. If this development became firmly established, then seeking alternative sources of income can only be a weak way for a university to recover its autonomy.

Unlike in England, having block grants from the government has never been the reality in higher education in Taiwan. Earmarked funding, however, has long been used as one of the powerful ways in which the Taiwanese government steers the development of the national universities. In addition, heavy legislation and regulations have made universities familiar with a culture of compliance. Recently, through the relaxing of certain regulations, the national universities have been granted some latitude when deciding appointment of academic and other staff, but the latitude does not extend much to finance. The new funding scheme, UDFF, was originally designed to enhance national universities' financial independence. However, the latter has been lessened, partly by the legal provisions which limit universities' discretion over their earned income, and partly by their limited capacity to seek alternative sources of income.

Paradoxically, the private universities, even though they were independent corporate bodies, were, more compliant with the government command-and-control policy, than their national counterparts. Fortunately, with the advent of new open context during the mid-1990s, some powers have been released, to some degree, from centralised control back to hands of their own governing bodies. Now, the degree of autonomy of the private universities seem to be more likely to depend upon the extent to which they can show their ability to self-govern and keep themselves financially solvent, than that of their national counterparts.

In concluding this chapter, Altbach's argument (1998) concerning conflict between university autonomy and accountability pressures, may deserve noting. He states that the conflict,

> *...takes on different implications in different parts of the world. In the third world, traditions of autonomy have not been strong and demands for accountability, which include both political and economic elements, are especially troublesome. In the industrialized nations, accountability pressures are more fiscal in nature. (Altbach, 1998, p. 14)*

Such a statement is true of Taiwan as of other third-world countries. However, although accountability pressures in England are mainly fiscal, bureaucratic procedures imposed by various mechanisms are increasing and worry academics and universities. This leaves open the question, for universities in England and in Taiwan, as to whether they have a real possibility of reducing external control by generating their own income, as their governments believe. These investigations lead on to the next critical theme – government-university relationships (Chapter 6), which will shed some light on understanding the relationships between university autonomy and funding in the context of England and in Taiwan.

Chapter 6

Government-University (G-U) Relationships

6.1 Introduction

In this chapter, general concepts concerning G-U relationships in the existing literature are summarised, critically but not exhaustively, under two headings: first, categorisation and modelisation; second, the dynamic boundary concept. Under the first heading are included the two often-tested governmental steering models (state-control model and state-supervising model) (for example, van Vught, 1989; Neave and van Vught, 1991, and 1994), and government policy instruments. Finding inextricable limitations of categorisiation and modelisation of G-U relationships, the boundary concept which has been employed to interpret G-U relationships, (for example, Neave, 1982; Russell, 1993; Tapper and Salter, 1995; Kogan, 1996), deserves exploration.

To offer an overview of the background of G-U relationships in England and in Taiwan, three contextual factors are selected to be examined: historical and cultural, political and economic, and legislative and regulative. In addition, significant events since the 1980s, occurring in both countries, are reviewed to see how the boundary between the government and university has shifted in both. Findings from the two countries are compared, and implications for the relationship between university autonomy and funding are put forward in concluding this chapter.

6.2 Concepts concerning Government-University Relationships

6.2.1 Categorisation and Modelisation: Government Steering Models and Instruments in Higher Education

Academic writers in the field of higher education have recognised that the relationship between government and university is complex. The better to understand and compare G-U relationships in different countries, some have tried to categorise and model them, and even to locate the position of different countries in a continuum or 'a triangle' (for example, Clark's triangle of coordination) between/ among categories or models. Diverse steering models and policy instruments, carry crucial information for understanding relationships between the government and the university.

Van Vught (1989) and Neave and van Vught (1991 and 1994) argue that, from the perspective of decision-making, and in the light of specific characteristics of the higher education context, two main government strategies – and, based on them, two basic government steering models - can be distinguished. One is the governmental strategy of rational planning and control, which implies a centralisation of the decision-making process and a large degree of control over the implementation of a chosen policy, in which much confidence is put in the capabilities of governmental actors and agencies to acquire comprehensive knowledge to take the best decision. Founded on such strategy, this steering model is called the state control model (SCM). The other, the strategy of self-regulation emphasises the self-regulatory capacities of decentralised decision-making units, in which governmental regulating activities are limited to monitoring the performance of the self-regulating decision-making units and to evaluating the rules which to a large extent define this performance. Such a self-regulatory government strategy underpins the state supervising model (SSM) (van Vught, 1989, pp. 37-39).

Based on government strategies and steering models, many studies on changing G-U relationships have been carried out in different countries. For example, Neave and van Vught's *Prometheus Bound* (1991) explores the changing relationship between government and higher education systems in selected countries in Western Europe, and in Australia and in the US, and in their following book (1994), across three continents - Africa, Asia and South America. Also, Maassen and van Vught (1994) employ such study's framework to test whether the more a governmental steering model has the characteristics of the SSM, the higher the level of innovativeness and flexibility of higher education institutions have in the Netherlands and Germany. Recently, a study on G-U relationships in selected Commonwealth Countries was carried out by Richardson and Fielden (1997). All these confirm the applicability of such a framework for comparing G-U relationships in different countries. Clearly, such a conceptual framework is useful. The conclusions of these studies tend to identify a so-called 'general trend' of changing G-U relationships. Sometimes at odds with their foregoing analyses or case studies, many paradoxical points to their conclusive claim, however, can be seen. Neave and van Vught, for example, claim in concluding chapter of *Prometheus Bound* (1991),

> *From the end of the Second World War through to the 1980s, the basic nature of the relationship between higher education and government was* ***one of amazing stability****. This relationship rested on* ***an implicit agreement*** *whereby higher education provided the training and the education for all deemed qualified to enter, whilst governments provided in return, the funding necessary for this task. (bold added, Neave and van Vught, 1991, p. 244)*

However, they also offer the following description, inconsistent with, if not in contradiction to, what they just claimed. During the overlapping period, with governments using the strategy of rational planning and control, the relationship between higher education and government rested on detailed government regulations and mechanisms, rather than on an implicit agreement:

> ***...rational planning and control was widely used*** *in Western systems of higher education during the 1970s and the start of the 1980s... in the Federal Republic of Germany... Mechanisms of quantitative planning were created and* ***a considerable number of laws and decrees passed.*** *In Ireland...(government) using* ***detailed regulations and stringent mechanisms of planning****... (bold added, Neave and van Vught, 1991, pp. 246-7)*

Such inconsistency is also seen in another empirical study by Richardson and Fielden (1997). While they indicate that G-U relationships in some African countries are being pushed towards the state control model, they locate those countries, in the continuum, more towards the state supervising model rather than the state control model end of the spectrum.

Likewise, another categorisation has been at times used, but also challenged. The Anglo-Saxon model, as termed by Neave (1982), or the 'American-British Model' as labelled by Clark (1983b), is equivalent to 'the state-supervising model' and suggests that government intervention is less influential in the universities in both Britain and the United States than is the case in western European countries. The countermodel to the Anglo-Saxon model, the European model, also called the state control model by Neave and van Vught (1991 and 1994) implies that the government regulates university affairs, such as student access, curriculum, granting of degrees, and appointment of academic

staff.

Do the models above still appear to fit present situations in those countries? It appears so, as academics in the 1990s inevitably add the term 'traditional' to this Anglo-Saxon model, and emphasise that it serves as a conceptual tool to describe limited state intervention. The European model faces a challenge similar to that confronting the Anglo-Saxon model. Just as adding 'traditional' to the Anglo-Saxon model, so adding 'historical' to the European model, is inevitable, since it had appeared inadequate as an interpretation of changing G-U relationships in some European countries, such as the Netherlands and France. In the Netherlands, governmental policies were shifting from 'correcting policy' of the late 1970s and the first half of the 1980s, in which the state actively corrected the low efficiency of higher education, to the 'facilitative policy' of the late 1980s, in which the state rather facilitates higher education making decisions for itself (van Vught, 1991, p. 109). In France, the policy of centralisation over higher education was under review, because it was regarded as too rigid to permit higher education adequately to meet future challenges.

However, there exists no pure model, and one is much more likely to find combinations of models; for example, while the state control model dominates in certain university affairs, the state supervising model might dominate in others. This 'strange hybrid', in the words of Maassen and van Vught (1988), challenges the modelisation of G-U relationships, via the dichotomies of the state control model versus the state supervising model, and Anglo-Saxon versus European Model. Moreover, contrasts implicit in the term 'versus', as between two models, do not get support in McDaniel's study (1996), an extensive survey on the paradigms of governance in higher education systems in 75 countries. Contrary to the findings in the previous literature, McDaniel found that differences in governance between the systems in Western European countries and in the US, are relatively small, and that even within the US or the Western European countries, there are 'no visible homogeneous patterns'. He concludes that this kind of simple delineation is not sufficient to identify or construct general theoretical models such as 'Continental' and 'Anglo-Saxon' (1996, p. 155). Nevertheless, it can not be denied that these models can still serve as a conceptual framework. However, they should be treated with caution, particularly when they appear to reach definitive conclusions.

Thus, the issue of G-U relationships is more complicated than is implied by debates on categorisation or modelisation. G-U relationships are multi-dimensional, and dynamic rather than fixed. Clark's triangle of coordination (1983b), for example, can be treated as a multi-dimensional model, which has often been cited in discussion of the interaction of higher education institutions, government and market. Within Clark's triangle, the location of the higher education system of a given country represents the combinations of the three mechanisms in different degrees. While the location moves closer towards one of the three extremes, that extreme takes a more significant role in the process of coordination, but the other two extremes still have influence. On the limitations of Clark's triangle concept, Williams (1995a) proposes 'alternative models of the forces acting on universities' (pp. 172-3) to analyse the dynamic G-U relationships.

Before moving on to government instruments, it should be noted that academics' interpretation of G-U relationships across countries with their models can be contradictory one of another. For example, if the Anglo-Saxon model is set within Clark's triangle, the system of Britain and of America are differently located, although admittedly the present British practice is moving somewhat towards the market system, but with intensifying government intervention. Again, the contrast between Neave and van Vught's interpretation and Clark's triangle of coordination concerning the higher education system in Italy, is another example. Neave and van Vught (1991) observe that, before the 1980s, higher education in Italy was 'strongly regulated and heavily controlled with central government', while the validation of degrees, the fields in which degrees might be awarded were still centrally controlled and procedures for professorial appointments, as well as nomination to post of principal university administrators were matters for central administration (p. 247). However, very differently, for Clark, writing at the early 1980s, Italy was chosen as a case which was well down towards the academic oligarchic extreme in the triangle, since 'its prestigious and powerful national academic oligarchs, traditionally have been more than a match for a relatively impotent bureaucracy' (Clark, 1983b, p. 143). The existence of the contrast exposes the low validity of each interpretation, unless it could be justified by that there was a dramatic change happened to Italy during the early 1980s.

Governments have a number of instruments at their disposal, to implement their policies. Van Vught (1989) highlights the views of several important figures in the field of public administration as follows: Etzioni (1968), Mitnick (1980), and Hood (1983). Etzioni distinguishes three types of social relationships: coercive, utilitarian and normative, and indicates that in any real case, there is a mixture of these three types. Mitnick (1980) develops a categorisation of the government instruments, namely 'regulation by directive', which is defined as the interference occurring by circumscribing or directing choice in some area, and 'regulation by incentive', which is defined as the interference occurring by changing the perception of the nature of the alternatives for action, subject to choice. Hood (1983) develops four categories of tools applied by governments, namely instrument of information, instrument of treasure, instrument of authority and instrument of action, to inform, to exchange, to command/commend, or to directly influence, the behaviour of societal actors.

There are, of course, numerous other examples which can be found in the literature. The differences between policy instruments depend on the level of control that governments use, to try to produce their desired effects and influence the behaviour of societal actors. It is assumed that, if governments tend to use the strategy of rational planning and control, highly restrictive instruments, such as authority and treasure, will be widely chosen, but, if governments tend to use the strategy of self-regulation, the less restrictive instruments, such as information, will be used, and even if the instrument of treasure is used, it will be employed as an incentive rather than directive. Such linkages between government strategies and instruments are informative, but it is to be clear that there are no absolute rules to them. The instruments such as information, treasure, authority and action, are seldom used in isolation or independently. The combination of instruments is the reality for most higher education systems.

Last, but not least, Trow (1996) identifies three main elements between universities and government or the society at large, namely, trust, markets and accountability. As Trow (1996) observes, the linkages of the three forces in G-U relationships vary enormously among different types of institutions, different activities, different national agencies and different social constituencies. Up to this stage, many idiosyncratic approaches to understanding G-U relationships have been investigated. Such approaches are manifestly produced by the interplay between various factors, actors, and interests. As

Goedegebuure and his colleagues suggest,

> *...it is more or less irrelevant whether these forces should be approached from a quadrilateral, triangular or diamond-shaped figure... what is important, however, is the concept of several forces pushing and pulling the system, through mutual interaction, in a particular direction. (Goedegebuure et al., 1994, p.4)*

Due to the 'push and pull' nature of forces, it is time to move to the next important concept, 'boundary', in understanding G-U relationships.

6.2.2 The Concept of Boundary

In the foregoing paragraphs, general forces operating in higher education systems have been identified. The issue of G-U relationships, however, involves, too, country-specific factors. Although Neave and van Vught (1991 and 1994) can claim that there is a general trend toward the state supervising model in Western European countries, and that changes in Africa, Asia and South America do not uniformly confirm the trend to abandonment of the state control model, they still leave, unanswered, one question, on how contextual factors contribute to such shifts between models.

Some studies contribute, albeit implicitly, to this type of exploration, that is, the in-depth exploration of contextual boundaries between government and university. For example, although they are focused on the UK, Berdahl's *British Universities and the State (1959),* Becher and Kogan's *Process and Structure in Higher Education (1992),* and Salter and Tapper's *The State and Higher Education* (1994), demonstrate a different, but thought-out framework, and also add impressive pieces of work to the literature. Quite different from the literature on categorisation and modelisation of G-U relationships, these studies are located under the heading of 'the concept of boundary'. Besides the reasons for the use of it, given in Chapter 2, this concept of boundary is worth developing, in terms of its possibility, at the extreme, of expressing the dynamics of G-U relationships. At worst, it can at least avoid deficiencies in interpretation resulting from the categorisation and modelisation.

6.2.2.1 Introduction and Criticism of Neave's Concept of Boundary

In the case of higher education, and from the literature available to the researcher, however, the earliest paper ***exploring*** and ***explaining*** the purpose of using the concept of boundary, not merely employing it to interpret government-university relationships and the concept of university autonomy, is Neave's paper '*The Changing Boundary between the State and Higher Education*' (1982). On the use of the concept to interpret the changing relationship (boundary) between the government and higher education, Neave insists that,

> *Whichever model one examines... all involve a certain concept of 'boundary' between the university and the state... The first thing to stress in the concept of boundary is that it is not fixed. Rather, it undergoes considerable alteration and flux... second... it is composed of many dimensions...contribute to the location of this boundary, is to see to what extent it has changed over the past decade or so. (Neave, 1982, pp. 232-7)*

Neave also argues that the concept of boundary is 'less-laden than the time-honored notion of autonomy' for describing the relationship between the state and the university. While the boundary of the state may extend officially into the administrative affairs of the university, or regulating the budgetary headings, the boundary of a university extends to the point where such matters as teaching methods, evaluation and assessment are at issue. Neave also tries to propose and operationalise several sets of questions - Who teaches? Who is taught and for how long? What addresses control or regulation over university knowledge and its distribution amongst the labour force? And, Who pays what, and how? (Neave, 1982, pp. 234-7)

While Neave tries to formulate and operationalise these questions, debatable points arise. First, the above questions are related to what the content or scope of university autonomy should be. However, as McDaniel (1996) suggests, one higher education system may enjoy some autonomy, in some areas in which other systems are restricted, or one system may be restricted in areas in which other areas may enjoy autonomy. While there is no authoritative formulation, Neave is similar to those academics (e.g. Ashby, 1966; Levy, 1980). Second, related to the first point, Neave ignores explanation

of the contextual factors which may make boundaries shift and be redrawn, how this happens, and what implications for government-university relationships are there, when the boundaries shift.

6.2.2.2 Further Developing the Concept of Boundary

The notion of boundary has been welcomed, and used widely, in areas concerning the interaction and relationship between system and subsystems, or between subsystems and subsystems, particularly in psychological counselling and family therapy. It is useful to quote a definition of 'boundary' in the family context:

> *A boundary is an invisible line of demarcation that separates an individual, a subsystem, or a system from outside surroundings... Minuchin (1974) contends that such divisions must be sufficiently well defined to allow subsystem members to carry out their tasks without undue interference, while at the same time open enough to permit contact between members of the subsystem and others. Boundaries thus help safeguard each subsystem's autonomy while maintaining the interdependence of all of the family's subsystems. (Goldenberg and Goldenberg, 1996, p. 55)*

Based on the degree of clarity of boundary, three major types of relationship are developed and named by Goldenberg and Goldenberg (1996). First, the 'enmeshed' relationship is established when the boundary between one family subsystem and another is diffuse. It implies that the behaviour of one family member has an immediate and marked effect on those with whom that person is enmeshed. Second, the 'disengaged' relationship has a rigid boundary, which implies that the behaviour of one family member has little effect on other family members. Third, the 'healthy' relationship is seen, when there are clear yet permeable boundaries which allow for distance to be established without losing contact, and for contact to be maintained without losing individual autonomy.

Referring to the definition above and Neave's notion of boundary, G-U relationships are re-interpreted as follows:

The boundaries between the government and the university are movable rather than fixed. Contextual factors contributing to shaping the boundary are both implicit/hidden (e.g. traditional and historic culture) and explicit (e.g. changes in policy and legislation). What G-U relationships exist depends on whether the boundaries of two are diffuse, rigid, or 'clear yet permeable'. Thus, if boundaries are diffuse, an enmeshed G-U relationship might be seen. Second, if the boundaries are rigid, it might show a disengaged relationship. Third, if the boundaries are clear yet permeable, a balanced G-U relationship might be evident.

In theory, such a description for government-university relationships might be attractive, but one question clearly to be asked is, to what extent is it applicable in reality? Universities and governments having different identities, interests and perspectives, an enmeshed G-U relationship is not likely to be seen unless universities are completely controlled by governments. While the university system is unlikely to be immune from its environmental changes, and the financial role of the state in the university remains significant, a disengaged G-U relationship shows little possibility of existence. Concerning the clear yet permeable boundary, it seems more possible to see a permeable, rather than clear, boundary since neither the government nor the university is neatly bundled, and contextual factors can alter over time. However, in recognising that G-U relationships are movable rather than fixed, it will be wide of the mark to expect that a system stays permanent in each of the above G-U relationships.

Besides these three types of G-U relationships, another description used by academics is 'implicit (hidden)' and 'explicit'. The interaction between the government and the university observed in many countries since the 1980s is developing from implicit towards explicit; for example, a considerable number of laws and decrees passed in Germany, and detailed regulations and stringent mechanisms of planning in Ireland (Neave and van Vught, 1991, p. 247). Becher and Kogan (1992) note that the government-university relationship in Britain in the 1980s shifted from implicit, relating mainly to workforce outcomes, to explicit, because of the central authorities' determination to assert objectives which also directly affect the research and curriculum agenda.

However, as to whether the borders between the government and the university should be precise, or kept fuzzy, there is no absolute answer. Berdahl (1990), for example, presents two different views concerning the issue as follows. First, Bailey (1975) suggests that the border between the state and the academy must be kept fuzzy, since if 'a precise delineation is sought... the state has more than the academy of what it takes to draw the line'. Second, the Carnegie Commission (1973), however, reasons that government authority is now expanding and coming to be seen in areas in which its presence had been unclear, in the past; 'the ambiguities that once were an asset are now a liability', and 'greater precision of understanding is now highly desirable'. Seeing a more explicit G-U relationship developing in Britain, Berdahl (1990) believes that current conditions 'do justify the Bailey's noted risks of attempting to obtain greater precision in defining the proper relations between universities and government' (Berdahl, 1990, p. 180). However, Russell (1993) insists that 'ambiguous or obscure' borders between the government and the university in Britain gave rise to a 'guerrilla war'. Thus, among academics, there exist more than one view in the argument.

It is not the purpose of this study to investigate all possible contextual factors contributing to boundary shaping; so to do would be difficult, given the delicate nature of the boundary between the government and the university. The main concern is rather to select some of them, to enhance the understanding of boundary movement. These selected contextual factors are highlighted, to arrive at an overview of the two countries – England and Taiwan, as backgrounds for comparison. First, the historic and cultural factor, including the history of the development of the university, and its traditional position in its own society. This factor is more likely to shape, implicitly, boundary between the government and the university. Second, the political and economic factor: this includes whether the development of universities is integrated into the framework of national planning, and whether government financial commitment to universities has been stable, or has changed. Third, the legislative and regulatory factor: this contributes more directly to boundary movement than the first two factors. As Sowell (1980) interprets it, this factor acts as a 'framework of rules' used by governments to delineate the boundaries within which other units determine substantive choices and to make its own forces available to defend the established boundaries' (cited in Neave and van Vught, 1994, p. 4). Apart from constituting an opportunity for the government (Tapper and Salter, 1995), it can not be denied that legislation also creates the chance for the

university to claim a new G-U relationship.

On changes in contextual factors, two types of movement are distinguished: one can be termed as 'boundary shifting' and the other as 'boundary redrawing'. 'Boundary shifting' implies that the movement can be observed by its effects. An example is the transition of the UGC in the UK from a buffer organisation to a strategic one. After the 1980s, the universities had a strong sense of loss of autonomy, although they still held considerable power to self-administration. 'Boundary redrawing' implies that the movement can be observed, not just by its effects, but also directly by a formal granting of powers to, or withholding of powers from, the university administration. Examples include the 1988 Education Reform Act in Britain and the 1994 revision of the University Act in Taiwan. In the next sections (6.3 and 6.4), three areas are covered: first, the role of university expected by the government; second, the contextual factors in each case; and, third, the impact of significant events occurring since the 1980s, in changing the G-U relationship. Subsequently the boundary figures drawn from each case, in 6.5, are compared as the conclusion of this chapter.

6.3 Government-University Relationships in England

6.3.1 The Role of the University Expected by Government

The role of a university in Britain expected by the government since the 1980s, can be traced through governmental policy statements or reports. The government, in the White Paper in 1987, for example, states clearly that the role of higher education is to help the nation meet the economic and social challenges of the final decade of the twentieth century and beyond. Such government expectations of the role of a university continue to be manifested in reports in the 1990s, notably in the Dearing Report (1997). The main reason for highlighting points from this report, is that the Dearing Committee had embodied government assumptions and conventional opinions in the Report (Kogan, 1998; Trow, 1998).

At the very beginning of its Report, the Dearing Committee set out its vision for the next 20 years, of the development of the UK as a learning society, in which higher education would make a distinctive contribution 'to sustain a competitive economy' (para. 1.10). While declaring that higher education in the UK 'continues to have a key

role in developing the powers of the mind, and in advancing understanding and learning through scholarship and research' (p. 3), the Committee put more emphasis on how the higher education system contributes to economic growth, performance and international market competitiveness. As Kogan (1998) counts, the economy is referred to seven times in the Annex to the terms of reference of the Committee. After seeing the definition of the learning society in the Report (para. 1.10), Barnett (1998) has no doubt in commenting that the Report 'very much places itself on the side of the economic conception of the learning society' (p. 15). Likewise, 'a new compact' is waiting for higher education institutions to recognise that they are 'becoming ever more central to the economic wellbeing of the nation, localities and individual', and have become 'a crucial asset' of the state (Dearing Report, para. 1.22-1.25). Thus, higher education in the UK seems to exist more for other parties rather than for itself, while the aspect - service to society - has been increasingly emphasised (Kogan, 1988).

Higher education is caught in a dilemma, shown in the Dearing Report. On the one hand, Dearing insists that British traditional university values, such as institutional autonomy and diversity, should be treasured, but on the other, its recommendations contribute to the creation of a compliance culture, for example being highly prescriptive about university governance, and quality maintenance. Robertson (1998) has no doubt in arguing that the Report has 'the vision', but it is a vision of state control rather than a vision of a learning society, and he believes that people will find that 'the driving intelligence of the report is the conviction that the sector (higher education) must be controlled' (p. 7). Robertson's interpretation of this 'conviction' (1998) seems to be confirmed by identifying changes in the following contextual factors.

6.3.2 Contextual Boundaries

6.3.2.1The Historical and Cultural Aspect

From the following quotations, it seems that the pre-1980s context, in which British universities existed, tended to sustain the values of university autonomy and academic freedom, compared with that of other countries. When the Robbins Committee travelled abroad, and saw much from which Britain might well learn, one respect in which Britain induced envy elsewhere, was,

...a cardinal feature of academic tradition in this country to distrust (state control) and to regard them as fraught with real danger to the foundations of free society...We do not regard such freedom as a privilege but rather as a necessary condition for the proper discharge of the higher academic functions... (Robbins Report, para. 708 & 709)

Eustace (1994) considers it 'a long-standing and deep-seated conviction' in British universities that only scholars can and therefore should, manage scholarship. He also believes that academic activity in the UK 'owes its excellence to its autonomy from the state'. While welcoming the government's generous financial commitment since the second world war, the university system was able 'to bask in the informal rules of the republic of letters' (Becher and Kogan, 1992, p. 145), and 'grew accustomed to a very high degree of practical autonomy' (Eustace, 1994, p. 88). Thus, state control was very much constrained during the development of the system.

However, the above quotations do not exclude the fact that tension and misunderstanding existed between the university and the government in their joint history. As Russell (1993) observes, 'the bitter quarrels' between the two had already started by the thirteenth century. By the early twentieth century, due to mutual interests having been satisfied, the quarrels 'appeared to be an exhausted volcano, and relations between Universities and the State were more amicable than they have been for most of their history' (Russell, 1993, p. 5). Such amicable relations between two were, importantly, supported by the next aspect: political consensus and economic capability.

6.3.2.2 The Political and Economic Aspect

As Williams (1995b) observes, Britain in the nineteenth century was dominated by laissez-faire capitalism, which helped to protect the universities from political intervention. Not only this, the idea of establishment of the UGC was, as Shattock and Berdahl (1984) indicate, 'from the above by politicians, most notably Lord Haldane, and by the civil servants as an aid to the government', not by pressure from universities or academic professional bodies. It was an advisory body, rather than a planning body, because all involved still saw planning and development as a function of universities,

rather than of the UGC (Shattock and Berdahl, 1984, p. 472). In the UGC period, there was a widespread concern to reassure universities that there would not be government interference with their affairs, and that university autonomy would not be threatened by the government (Tapper and Salter, 1995, p. 60). This political autonomy was 'perhaps the most central aspect of the English idea of a university' (Halsey and Trow, 1971). Importantly, as Premfors (1980) observes, though the norm of political autonomy which has not always prevented government intervention, it has been sufficiently potent to force governments to restrain their activities.

Moreover, the political consensus, enhanced by economic support, created 'a golden age of university autonomy', in Russell's words (1993), in the recent history of university development in the UK. However, the political-economic context of the universities since the 1980s has undergone important and significant transformation. The broad governmental intention is clear, as Bargh and her colleagues observe:

> *...a political revolution characterised by the 'reform' of the welfare state, in particular the rise of quasi-contractual relations between 'customers' and 'contractors' within the public sector (le Grand and Barlett, 1993) and of what has been called an 'audit society' (Power, 1994). The impact of both ideas, contracts and audit, on relations between higher education and the state (and funding and research councils)... over the past decade has been pronounced. (Bargh et al., 1996, p. 13)*

As mentioned in Chapter 3, the 'reform' of the public service, involves organisational cultural change, replacing the traditional public service ethos – with its inefficient administration - by a 'business', or 'market-oriented', ethos, comprising an enterprise culture and a more assertive managerial style. This has been introduced into the universities, and is manifested concretely in the Jarratt Report (CVCP, 1985). Of course, some conflicts with that, within the traditional autonomous universities, seem predictable.

6.3.2.3 The Legislative and Regulative Aspect

Legislation and regulations were not as predominant in shaping the G-U relationship in

the UK as in other European countries (Neave, 1988a). According to Tapper and Salter (1995), Parliament in the UK has weakened ministerial and funding councils by refusing to permit specific conditions to be attached to grants made to named individual institutions, seeing a potential danger of the undermining of any semblance of university autonomy. However, many academics, like Halsey (1992), Tapper and Salter (1995), and Kogan (1996), have observed that G-U relationships in the UK have evolved alongside the appearance of the first legislation regarding the university in the ERA (1988), and a rapid expansion of the university system resulting from the 1992 Act. These Acts and 1998 Teaching and Higher Education Act (THEA) have created a number of reserve powers that may be exercised by the Secretary of State.

Inconsistency between introducing a quasi-market and maintaining a central planning, is one key feature of the way that the government regulates the development of higher education. Indeed, Becher and Kogan (1992) observe that 'government itself was ambivalent' switching between strategies - first central command, then managerialism, and finally market imperatives (pp. 65, 177). Likewise, Bargh and her colleagues (1996) describe such a kind of national policy on massification and marketisation of higher education as 'stop (1981 to 1986), go (1987 to 1992) and stop again (since 1993)' (p. 17). According to Robertson (1998), higher education in the UK is 'in for a sustained period of command-and-control policy-making' (p. 15). However, government intervention is 'disguised through recruitment and deployment of intermediary agencies' (Morley, 1997, p. 235), called 'quangos', quasi-autonomous non-governmental organisations, which have created various codes of practice concerning governance, financial management, and quality assurance. Although the codes are not compulsory by nature, they gradually become normative forces through which the universities are regulated.

6.3.3 The British Case: From Implicit towards Explicit G-U Relationship

Changes came in the 1980s, when the interventionist nature of the Conservative government policy and the ambiguous function of the UGC, caused a sense of crisis in universities. Most scholars also agree that a change in G-U relationships in the UK began to be effected by the cuts in 1981 and onwards. For foreign observers, like Neave (1988a) and Madeleine Green (1995), it does not overstate things to say that the UK higher education underwent a revolution which started with the 1981 cuts.

Table 6.1 Major Events/ Reports/ Legislation since the 1980s in England

Year/Name	Highlights	Implications for G-U Relationships
1981 July letter announced the cuts	The UGC operated in a more directive style to execute the financial cuts/ Examples of how universities coped with the cuts were given by Kogan and Kogan (1983)	1.UGC had difficulty in maintaining an arm's length relationship between G and U./ 2. Subsequent G. initiatives confirm that the G. intended to steer HE to be good for economy.
1983 Setting up of National Advisory Body for Public Sector Higher Education (NAB)	Its terms of reference were to advise the Secretary of State on the academic provision to be made, the apportionment of the Advanced Further Education Pool, and the approval of advanced courses in the public sector (Becher &Kogan, 1992)	The establishment of the NAB was eroding the power of LEAs in higher education/ Its replacement by the PCFC without any LEA representatives in the membership in 1989, ended the role of LEAs in higher education (Williams, 1992a; Becher and Kogan, 1992)
1985 Jarratt Report (CVCP)	Introducing the streamlining of management systems into HE/ Us were required to respond to the recommendations of the Report within 12 months of its publication.	While Report acknowledged that the UGC had come to be regarded by U as 'a tool of the DES', it ignored the fact that the CVCP itself 'too came to act as a tool of DES', as said Tasker & Packham (1990, p. 184). The latter's observation regarding the CVCP may not be fully supported.
1986 Research Assessment Exercise (RAE)	Selecting distribution of resources for research based on the performance of individual universities in RAE	RAE's original purpose was protecting universities' research funds against the public doubt of why universities are better funded than the public sector HE. However, through linking performance and funding, U was held to be more accountable; meanwhile, G enlarged its influence in the G-U relationship.

Source: Compiled by the researcher.

Table 6.1 (Continued) Major Events/ Reports/ Legislation since the 1980s in England

Year/Name	Highlights	Implications for G-U Relationships
1987 Croham Report	Reviewing the role and function of the UGC/ The G-U financial relationship was governed by the financial memorandum/ Declaring the necessity of existence of an intermediary funding body	In line with Jarratt, implying that academic outcomes ought to be 'judged in terms of social rather than intellectual criteria'; thus, 'the question who should run the institutions... as primarily a matter of political choice' (Becher & Kogan, 1992, p. 183)
1987 White Paper: Higher Education: Meeting the Challenge 1988 Education Reform Act (ERA)	1. The first legislation concerned HE and abolished tenure system 2. UGC was replaced by UFC the majority of whose members were from non-academic/ PCFC replaced the NAB/ G. provided planning guidelines for U. system as a whole/ releasing poly. & colleges from control of LEAs.	1. Through legislation, the G. empowered itself in the G-U relationship./ The replacement of the UGC by the UFC marked an end for the system of 'grants' and the advent of a system of 'contract'. 2. The 1988 Act broke 'the rule of the academics' (Becher and Kogan, 1992, p. 39). 3. While Russell (1993) recognised the abolishment of the tenure as erosion of academic freedom, Tapper and Salter (1995) suggest that it has increased the ability of U to adjust to changes in financial circumstances.
1991 White Paper: Higher Education: A New Framework 1992 Further and Higher Education Act (FHEA)	1. Abolishing the binary system and creating a single funding structure and extending degree-awarding power to major HE institutions 2. The Secretary of State was given power to designate institutions that were eligible to receive funds from a higher education funding council and laid down certain guidelines on how they were to establish their instruments of government.	The G. revealed its attempt to continue to set the strategic directions for HE, and continued to make necessary contribution to funding further efficient expansion.

Source: Compiled by the researcher.

Table 6.1 (Continued) Major Events/ Reports/ Legislation since the 1980s in England

Year/Name	Highlights	Implications for G-U Relationships
1997 Quality Assurance Agency (QAA)	Its establishment given to Joint Planning Group for Quality Assurance in HE (CVCP, 1996)/ Prior to it, the responsibility for maintaining and assuring of quality rested primarily with the pre-1992 U.	The emergence of the QAA implying that the previous external examiner system was not enough and U need one body to 'help' them to examine their own practice in maintaining common standard and quality
1997 The Dearing Report	Giving advice on the future of development of HE (purpose, shape, structure and funding) over next 20 years/ proposing 93 recommendations	Certain recommendations on linking performance to funding of HE imply that HE should comply with what the G desires.
1998 Teaching and Higher Education Act	The Secretary of State was given powers to compel higher education funding councils for England and Wales to impose conditions on university governing bodies as a condition of receiving grant, that is, fees are charged 'equal to the prescribed amount' prescribed by the Secretary of State from time to time.	According to Farrington, this Act may or may not affect the powers of the chartered university to 'demand and receive fees', but 'obviously the promoters of the bill intend that the charter power should be attenuated' (THES, Jan. 23 1998).
March 1999 Quinquennial Review of the HEFCE	Concluding that the current arrangement of the HEFCE operating at arm's length from government should continue.	While academics (e.g. Shattock &Berdahl, 1984) have seen a funding body as an arm of G, the official report is still claiming that it is a buffer (e.g. the Dearing Report, and this Review). Nevertheless, in technical sense, the funding councils still prevent the political influence acting directly on individual institutions.

Source: Compiled by the researcher.

Table 6.1 illustrates some major events and documents, and their implications for the changing government-university relationship. The changes noted in Table 6.1 illustrate the boundaries between the government and the university in the UK gradually transforming from implicit to, at least towards, the more explicit. The laissez-faire policy was abandoned by the government, which began to assert, for itself, a more active and interventionist role in higher education policy. As Becher and Kogan (1992) comment, 'academic norms and modes of self-governance had given way to powerful objective-setting by the central authorities' (pp. 48-9) and 'government's coyness abated and the setting of objectives ceased to be implicit' in the 1980s (p. 52). The 1988 Education Reform Act and the 1992 Further and Higher Education Act, have reified the implicit G-U relationship into a rather explicit one. Higher education is moving to a point where 'more and more elaborate control systems were imposed by the government' (Scott, 1995, p. 16).

However, Tapper and Salter (1995) have observed that the G-U relationship in England, moving from implicit towards explicit, occurred before the 1980s. A planning model, with bureaucratic links, started to appear in 1964 when the responsibility for the UGC transferred from the Treasury to the DES; and the PAC (Public Accounts Committee) gained access to the books of the UGC and the universities. However, at that stage the shifting boundaries between government and university were camouflaged by two critical variables: the existing mutual trust between the UGC and universities, and the belief in continuing the age of confident self-development. Not surprisingly, such a camouflage was removed with the abolition of quinquennial funding in 1974, and with a series of subsequent changes, in the 1980s and 1990s.

Has a culture of compliance developed in the academic community, as Scott (1997) and Robertson (1998) argue? (also see 5.3.3) Tasker and Packham (1990) argue that in order to achieve intellectual and social purposes a university needs autonomy and freedom for its members in teaching and research (p. 181). However, they deplore the fact that such a concept of the university is being challenged in Britain, not only by the government reforms, but also by some within the universities who regard the concept as an impossible dream. In the course of shaping the boundary between the government and the university, the university academics,

...have failed to assert strongly and publicly their function of intellectual and moral leadership within society, and to assert it, moreover, in language proper to a university. The intellectual and linguistic vacuum that was the result has been filled by the values and terminology of the market place... We have an obligation to society to state publicly that governmental policy is destroying the proper environment for research and teaching in universities. (Tasker and Packham, 1990, p. 193)

Such a view corresponds to that of Becher and Kogan (1992), who claim that the universities 'failed to convince governments of their undisputed claim to do good by doing what academics wanted to do' (p. 179). However, Russell (1993) notes that some academics asserted what they thought to be right, but that the whole context and system of higher education appeared to be slipping from academic control, since 'universities are told to change' and 'it seemed to have become a matter for politicians, not for academics to decide what a university should be'. Indeed, the government is seeking to enlarge its area of influence, as reflected in the emergence of the QAA and the direction of policy-making, which 'make it more likely that the DfEE will be able to retain its grip on the shape of the sector' (Robertson, 1998, pp. 14-15). While calling for statements of overall objectives for the planning period, research achievements and plans, and forecasting of student numbers in various subject group and financial forecasts becomes 'normal and frequent' (Becher and Kogan, 1992), universities are subject to 'ordeal by standards, inspection, and paperwork' (Robertson, 1998).

However, the government is not always in succeeding translating the pressures upon itself into policies which produce the desired results (Salter and Tapper, 1994, p. 18). The universities themselves could modify the boundaries, such that decisions are left to individual universities, and the failed bidding system of the UFC is an example (Tapper and Salter, 1995, p. 68). Finally, it would be helpful to employ Tapper and Salter's conclusion, here, to support the description of boundary shifting in the English case as being a shift between who was previously, and who is now, dominant, in defining the boundaries between the government and the university. They said,

At one time those boundaries were imposed by a powerful segment of university opinion and led to a university system that was elitist... ***In recent years the state***

has reclaimed the control of the boundaries*...(and) universities need to make choices within boundaries. (bold added, Tapper and Salter, 1995, p. 70)*

6.4 The G-U Relationships in Taiwan

6.4.1 The Role of the University Expected by Government

When the Taiwan government faced political vulnerability at the very beginning of the retreat from China to Taiwan in 1949, it adopted centralised and authoritarian political strategies. After political issues, economic growth was central to government planning. Education was taken as an instrument to achieve political and economic purposes, although the government never ceased proclaiming education as the cornerstone of social and cultural development in Taiwan. Inevitably, when higher education was instituted to instil state ideology and provide manpower, the utilitarian role of the university outweighed the traditional values of university autonomy and academic freedom during that period of an authoritarian political regime. More detrimental to the development of higher education, its main purpose was to serve what the government, in fact the ruling party (Kuomingtang, KMT), wanted, rather than to be a centre of critical thinking and reflection on what a society might need.

Under such circumstances, the establishment of subjects in humanities and social sciences, particularly political studies, philosophy, and law, were subject to rigid government control because the students and graduates of those departments tended to become the leaders organising protests against the government. Unlike the natural science and technological subjects, they were more vulnerable to political interference which had often caused problems with academic freedom (Chen, 1991). While the government adopted the excuse of national security to censor the contents of teaching and research, some university presidents, appointed by the MOE, became the political facilitators of the MOE, and jeopardised academic morale. The purpose of academic research turned up to be the back-up of government policy. One example was given by Chang Tsun-sin, who conducted his survey in 1983 to investigate how the students in teacher universities reacted to the Teacher Act of 1979, and found that the students' views were not in line with government policy, and against certain provisions in the Act. Incredibly, the president of Chang's university savaged Chang's study, accused him of 'forging data' and re-checked his raw data (1,263 copies of questionnaire, done one by

one). While such false accusation against academics' studies was a reality, academics' hesitation and avoidance of touching so-called sensitive issues, was manifest.

Up to the late 1980s, an irony of the higher education system in Taiwan remained that, under the seamless government control, there was only one university, called 'the University of the Ministry of Education', even though it already had at least 40 university establishments (Chen, 1993). However, since the mid-1980s, the existence of an opposition party as well as a series of protests started to form a strong tide against the government. The universities and academics started seriously to examine what their intellectual and social roles, and their relationships with the government, should be. Fundamental questions, such as why a university should have autonomy and academic freedom, and what hindered the latter's development, were also asked among academics in Taiwan. Liu (1985), for example, suggests that university reform should begin by revising the University Act to state clearly what power the MOE has in the Act, and that if powers were not granted to the MOE, they would fall within the scope of university self-government.

Although the instrumentality of higher education as a tool of the economy is deeply-rooted, universities have gained a chance to have more say in establishing their own goals during the 1990s. It is time to present the contextual boundaries between the government and the universities in Taiwan, before exploring the changing G-U relationships in Taiwan.

6.4.2 Contextual Boundaries

6.4.2.1 The Historical and Cultural Aspect

The history of modern Chinese higher education, if counting from the establishment of 'Jing Shi Da Shui Tang', the former Beijing University, founded in 1898, extends over at least 100 years. However, on analysing the relationship between the emergence of western style of university and Chinese culture, Kung (1990) argues that higher education in China (now in Taiwan) developed in the way isolated from its own traditional culture, because it was a product of imitation and implantation of western

systems. Although the organisation and system of higher education were extraneous to the Chinese education system, fundamental ideas which characterised western higher education were also present in traditional Chinese culture. These include: pursuit of knowledge for the sake of knowledge; cultivation of personal characters; and, educational establishments as the centre of thoughts and reflection. However, many events, including western military intrusions, civil wars between the communist party and the national party, and the relocation of Chinese government in Taiwan, not only worsened the chance of, but precluded, the incorporating of its own traditional values into the higher education system.

Nevertheless, in the history of university development, there are two events from that history worth mentioning. First is the days of Tsai Yuan-pei's 'Beijing University' (1917-23), and, second is Fu Shi-nien's 'National Taiwan University' (1949-50). Both involved the most energetic academic pursuits and critique of to the then government. According to Chang (1986), a professor of history, education experienced an unprecedented phase of freedom during the period right after the Qin Dynasty was overthrown by the national government in 1911. The Beijing University, presided over by Tsai in 1917, benefited from such a context. Tsai, deeply influenced by the Humboldtian idea of a university, highly valued the freedom of teaching and of learning. He invited certain significant but controversial figures to teach in his University. For example, Fu Shi contributed greatly to thinking on freedom in China. As a protest against the illegal arrest of the then Treasury Minister by the military government, Tsai proposed, in 1923, to resign as president of Beijing University. Ambrose King (1983), a professor at the Chinese University of Hong Kong, commends Tsai, who established the Beijing University as an ideal place for academic pursuit where there was no compromise with political intervention (cited in Kao, 1991).

Second, under the leadership of Fu Shi-nien, the idea of a university blossomed in the National Taiwan University. He supported and protected academic freedom. For example, Fu insisted on establishing the first committee in charge of academic appointments which were solely based on academic and intellectual criteria rather than individual political background. However, during the 1970s, a severe disagreement arose between certain academics and so-called 'political staff and students' in the Department of Philosophy. This event was not only a major blow to the growth of the

idea of a university, but also blocked the way for those academics who fought for freedom in teaching and research, forcing them away from such the leading university in Taiwan.

6.4.2.2 The Political and Economic Aspect

Since the 1950s, when the government relocated itself to Taiwan, there have been three stages of political-economic changes influencing the development of higher education. First, in the early 1950s, since political stability and economic growth were central to government agendas, the development of higher education suffered from government indifference. Second, during the period from 1954 to 1980, the government realised that the development of human resources was the only way to upgrade the society from an agricultural into an industrialised state. Thus, the development of the higher education jumped on to national agendas. However, this development was incorporated in national economic planning. For example, establishment and expansion of technological, rather than social science, departments, were favoured. Higher education institutions became places for manpower training rather than education. Third, since 1980s, the whole external context in which the universities in Taiwan live, has undergone an important and significant transformation, noted below.

Two notable political events contributed to the liberalising trend. First, in contravention of the Martial Law, declared by the ruling party (KMT), more than 200 political dissidents organised, in 1986, their own political party, called the Democratic Progress Party (DPP), and gained influence through the election of the same year. Second, in the face of much criticism and protest from the people and the opposite party (DPP), the government was forced to lift the Martial Law in 1987. Subsequent changes, such as more openness in the news media, freedom of speech and ability of unions to organise, among others, have liberalised, energised and democraticised the whole society. The changes in the government policy in higher education since the 1980s and their implications for the G-U relationship are considered in 6.4.3.

6.4.2.3 The Legislative and Regulative Aspect

Since the first modern institution was established in China in 1898, there has always

been legislation concerning higher education, but most of the time it appeared irrelevant and redundant, partly because of a series of civil wars and partly because administrative regulations were violating the legislation, and acted as simple controls. Directly relevant to higher education is legislation such as the University Act, the Private School Act, the Education Personnel Recruitment Act, and the Degree Award Act. Besides, heavy regulations were created to control all aspects of university affairs. 'Jadot's Law', in the words of Neave and van Vught (1994), suggests that the degree of autonomy enjoyed by an institution is inversely proportional to the volume of a nation's legislation defining it. In the case of Taiwan, however, not only thick volume of legislation concerning higher education, but also the onerous and numerous regulations should be taken into account, in any examination of the degree of university autonomy, there.

However, a turning point occurred in the year of 1994 when the newly-revised University Act was promulgated. The Act provides the legal basis for granting universities more decision-making powers in certain areas, such as presidential selection and appointment of academic staff. More importantly, the Interpretation No. 380 of the Council of Grand Justice in 1995 brought in a new way of interpretation of the scope of university autonomy. Also, the Interpretation facilitates the universities learning how to examine whether the parameters established by the government are legitimate or not. Subsequently, calls for revision of other statutes concerning higher education are continued.

6.4.3 The Taiwan Case: Still Explicit and Formal, but Having a Visible Boundary

The complex set of events which affected, and shaped, the relationship between the government and universities in the UK, shifting it from implicit toward explicit, status, was possibly not seen in Taiwan before the mid-1980s. The main reason is that the government-university relationship in Taiwan was simple and direct. It was simple because most observers had no difficulty in defining the government-university relationship in Taiwan as a typical example of the state control model. It was direct because the central authorities were dominant actors in defining the relationship by controlling many affairs of the university.

Table 6.2 Major Events in Taiwan since the 1980s

Year/Name	Highlights	Implications for G-U Relationships
1986 Non-G Proposal of revising the U Act	An appeal of revising the University Act initiated by the Asian Foundation and Tamkang University	This proposal did not have too much effect on G due to the rigid political context which was still under the Martial Law
1986 Formation of an opposition party (DPP)	Violating the Martial Law/ gaining an important status through the election	The past 'superficially-stable' context was broken and this context facilitated universities' and academics' reflection upon their relationships with G.
1987 Lifting the Martial Law	With the lifting, the removal of control on the media, organising political party, university unions.	Society was liberalised and the time seemed to have come to examine the past authoritarian and centalised policy of HE.
March 1987 Student Protest	The students of National Taiwan U protested against the U. which censored the publications of the student societies.	University students found that censoring the publications was a tip of the iceberg, and, thus, delivered their appeal to the Legislative Yuan to revise the U. Act, which caused more concern of the society
Nov. 1987 Legislative Yuan's Draft of U. Act	A Draft, promoting granting of legal entities to national universities, is put forward.	The rare occasion on which the Legislative Yuan was actively involved in proposing a draft of a relevant Act, and formed a source of checks and balances to monitor the central G.
Dec. 1987 MOE's Draft of U. Act	MOE's draft was not accepted by the Executive Yuan (the cabinet), which re-imposed control attempts into MOE's Draft.	Infuriating universities and academics, stimulating them to fight for their values and purposes.
1989 Foundation of University Reform and Promotion Association (URPA)	Organising the first-time professorial street protest and proposing its own draft of University Act.	Creating a new force to compel the G and the Executive Yuan to listen to what universities and academics had said.
1991Granting Uni. The power to peer-review faculty appointment and promotion internally	The power was, first, granted to 14 national universities, and latter, extended to other universities.	Some of the universities started to have decision-making power in faculty appointments and promotions.

Table 6.2 (Continued) Major Events in Taiwan since the 1980s

Year/Name	Highlights	Implications for G-U Relationships
1994 Promulgating of the revision of the University Act	Article One of the Act stated that academic freedom of a university shall be protected and U shall enjoy autonomy of the extent provided by laws.	The whole process of revision took 7 years; many parties' efforts (including Uni. ,academics, the Legislative Yuan, the UPRA, and so on)) modified their boundaries with G.
1994 Establishment of the Commission on Education Reform	The Executive Yuan formed a commission (2-year) on Education to advise on education.	Educational groups and societies criticised the commission and G., and proposed an appeal to the continuity of reform, and actions should be taken, rather than producing short-term reports
1994 MOE' Enforcement Rules of the University Act	The University Act authorised the MOE to enforce the Rules, some of which were controversial since they were beyond the scope of the parent statue.	Suspecting MOE of intending to control U by issuing Enforcement Rules/ the Legislative Yuan delivered an appeal to the Council of Grand Justice for interpretation.
1995 Interpretation No. 380 of the Council of Grand Justice	The Interpretation confirms the scope of university autonomy and academic freedom	Confirming that areas not authorised for MOE to control or to set rules, do fall within the scope of university autonomy/ After this, G's position in dealing with U. affairs is somewhat constrained.
1995 New funding scheme for National Us	It aims to grant greater flexibility of funding of national universities and to enhance financial autonomy	National universities started to learn to manage their own resources more effectively and economically, and generate part of their own income
1995 White Paper on Education toward 21st Century	On HE, the G showed its will to respect academic freedom and granting more autonomy in aspects of personnel, financial and curriculum to Us	At this stage, G and Us are still fumbling in the new era: G. learns how to take a supervising role, and Us learn how to govern themselves
1997 Promulgation of the revision of the Private School Law	Compared to the previous revisions, this revision was significant and reinforced the contribution made by private schools.	Before 1994, private Us did not enjoy the autonomy they should have because the MOE's heavy regulations/ With the changing G-U relationship, they realised that they have more legal foundations to claim their rights for autonomy, than do national Us.

Source: Compiled by the researcher.

In such an authoritarian and centralised context, the MOE had extended its power beyond those authorised by the statutes, but the universities were 'surprisingly' compliant with what the MOE determined via regulation, and failed both to claim their rights in those areas in which legislation did not authorise the MOE to regulate, and to question the misuse of power by the central authorities until the mid-1980s.

Since the mid-1980s the whole authoritarian centralised control has been challenged by many parties, such as the main opposition politic party (DPP), university academics and student societies. The original G-U relationship was in tatters, challenged by new requests for university autonomy and academic freedom. A series of negotiations, with bargaining as well as legislation revision, illustrate the advent of new era for university development and for its relationships with government. (see Table 6.2) In the so-called new era (Free China Magazine, 1995), exploration of the G-U relationship in Taiwan merely via examination of legal acts and regulations, can be frustrating. This is because, diverse pieces of legislation on higher education prove that the formal and explicit G-U relationship is undeniably still in place. However, the process of interaction between the government and the university, rather than the 'product' (e.g. the passage of the revision of the University Act), is what carries the most significant implication for the changing G-U relationships in Taiwan. Two examples as follows can illustrate this argument: first is the process of revision of the University Act; and, second, the formation of checks and balances compelling the MOE and other government agencies to practise self-restraint.

On the former, the MOE claimed that it took the initiative to revise the Act rather than being forced to do so by any other parties (Kao, 1991). However, Ho (1990) argues that the initiative of revising the University Act was triggered by non-government groups, universities and students. It is also found that academics had put forward requests for the revision of the University Act many times, for example, Liu (1985) and Fu (1990), and earlier than the MOE decision to revise the University Act. The revision in 1994, by contrast with the previous revisions of 1972 and 1982, implies that the MOE no longer held a dominant position. Other parties, such as the University Reform and Promotion Association (URPA) and the Legislative Yuan (particularly those legislators from the DPP), were active in monitoring the draft drawn up by the MOE, and in proposing their own drafts. During the course of revision, there occurred the first

professorial street protest. Irrespective of who was the winner in this revision, the whole process demonstrates that the universities and academics were beginning to fight for their own autonomy and academic freedom, and that for the first time the universities were realising that they could modify the boundaries between them and government.

Conflicting interests made the revision extremely complicated, and it took seven years to finalise. The URPA insisted on incorporating the words 'academic freedom of a university shall be protected, and it (a university) shall enjoy autonomy to the extent provided by law' in the Act, but compromised elsewhere, letting military education personnel remain on campus, as requested by the MOE. From the beginning, the URPA compromise was seriously criticised by academics and university students, but its insistence regarding wording of the Act turned out to be a significant legal source of authority to nullify MOE power on the university curriculum.

On the latter, that is, checks and balances operating on the MOE. During the period from accomplishment of the revision of the University Act until the emergence of the Interpretation No. 380 of the Council of Grand Justice, the MOE still intended to control universities through issuing administrative regulations, as it had done before. For a better understanding of this case, several important pieces of legislation, as follows, should be briefly stated.

Constitution of the Republic of China
Article 11: ... People have the freedom in speech, instruction, writing and publishing..
Article 162:... All public and private educational and cultural institutions in the country shall, in accordance with law, be subject to ***state supervision****.*

The revision of the University Act in 1994
Article 1:... Academic freedom of a university shall be protected and it (university) shall enjoy autonomy to the extent provided by law.

Although Article 162 in the Constitution had spelled out what the G-U relationship should be, the reality has never matched this, over the past decades. Even the Legislative Yuan, which in theory had power to impose checks and balances, correcting

the government, merely acted in reality as a rubber stamp. However, the story changes in the 1990s. After promulgating the revision of the University Act, the MOE quickly issued the 'Enforcement Rules of the University Act', one type of administrative regulation. Originally, the Rules were to be made in accordance with its parent statute, the University Act. However, nearly 20 items in the Rules violated its parent statute, in the view of Shie Chang-ting, a legislator of the DPP (United Evening News, October 26, 1994). Having been aware of what amounted to a fundamental and critical misuse of power, the then Minister of Education still claimed that the Rules were effective until further revisions were made. The legislators of the KMT also, tried, skilfully, to cover the MOE by overturning Shei's proposal. The most controversial issue was related to Article 22 of the Rules:

Enforcement Rules of the University Act
Article 22:.. (paragraph2) those who fail in the common compulsory courses for each university and specialsied compulsory courses shall not graduate. Common compulsory courses for each university shall be made by the MOE through inviting all relevant persons of each university for discussion.

While academic freedom and university autonomy had been granted, in law, to the universities, the MOE still prescribed some rules relating to academic matters, such as common compulsory courses and requirements for graduation. Several legislators delivered an appeal to the Council of Grand Justice for an interpretation of the scope of university autonomy and academic freedom. The Interpretation, made on May 26, 1995, reinforces the principle that those powers which were not granted by statute to the MOE, do fall within the scope of university autonomy. It also confirms that the scope of university autonomy covers direct involvement with crucial academic matters in connection with teaching and research.

Since the Interpretation was made, the MOE and other government agencies have gradually adopted a position of self-restraint when dealing with university matters. Nowadays, the MOE may stop short of distorting the meaning of legal provisions to control universities, but the former does have influence, held via its power of approval in matters such as the establishment, merging and discontinuing of programmes, departments, and the like. Nevertheless, it is clear that the MOE was no longer

dominant in defining the boundaries between government and universities. A new territory was born out of a series of events and changes, for universities in Taiwan, modifying these boundaries.

6.5 Similarities and Differences

Despite the argument of Levy (1994) that autonomy from the state does not mean autonomy from all external control (p. 254), Neave and van Vught suggest (1994) that it is sufficient to state that university autonomy to a large extent depends upon the way governments try to regulate the university system (p. 9). These words are true of England and Taiwan, where governments are playing a significant role in defining the G-U relationships, which in turn carry profound implications for university autonomy. In this section, changing G-U relationships, and their implication for university autonomy, in England and in Taiwan, are compared.

The development backgrounds of the university in these two countries, are very different. If the existing models (discussed in 6.2.1) are applied to compare the two systems, what can be gained might be merely a formal contrast, such as that of the state-control model in Taiwan versus the state-supervising model in England. With regard to the effects on university development of contextual factors, profound differences are also visible, between the two. Contextual factors in England insulated university affairs from government intervention. Thus, the universities in England in the three decades before the 1980s enjoyed, as Russell (1993) observes, a more amicable G-U relationship than they had had for most of their history. The political consensus on academic self-government was embodied in the emergence of the UGC. The G-U relationship before the 1980s rested on an implicit agreement, and in which trust was placed by both sides.

By contrast, contextual factors in Taiwan did not form a solid foundation for the university to claim what should have been a G-U relationship pre-designated by the Constitution of the Republic of China, right up to the 1990s. Even more detrimental to the idea of university autonomy, was that university education was a channel for political ideology. Compared to England, where formal legislation governing universities came only in 1988, legislation concerning universities was ever-present during the university's development in Taiwan. In addition, legislators, who originally represented the people's right to monitor government, in practice neither weakened

government nor functioned as a source of checks and balances on it. Complex legislation with heavy administrative regulations was imposed on universities, national and private ones. Study of contextual factors in Taiwan illustrates a lack of trust in the G-U relationship.

There is one superficial similarity to be seen in both countries, before the 1980s. While the tensions and quarrels between the government and the university in the UK seemed like 'an exhausted volcano' in Russell's words (1993), it also seemed to be 'a dormant volcano' in Taiwan. On the surface, calm could be observed. However, there was an interesting difference, deep within the two cases. In England an amicable relationship between the government and the university emerged, where the English universities were dominant in defining the G-U relationship, and the government accepted a position of self-restraint. However, the case in Taiwan showed a superior-subordinate relationship, in which the government dominated the universities, and the latter were compliant with government wishes. Arguably, compared with the case in England, universities in Taiwan were in a situation where they could not properly discharge their responsibilities to society at large.

Nevertheless, the concept of boundary makes this comparison meaningful, because the relationships between the government and the university are dynamic rather than fixed. Regarding the development of the relationship between the government and the university in both countries, the following figures are drawn to serve as a platform for further comparison.

The Figure 6.1 demonstrates that an arm's length relationship existed, between the government and the university before the 1980s. An 'engaged relationship' was established, through the buffer body, the UGC. The main events, listed in Table 6.1, contributed to the boundary to shift and be redrawn. In the earlier analysis, the function of funding bodies shifted from that of a buffer body (the UGC before 1980s), and a planning body (the UGC and the UFC/ PCFC), to arm of government, and influence – albeit an emasculated one – in the key policy forum, the HEFCE. Various quangos' calling for statements of overall objectives for the planning period, for research goals and plans and financial forecasting from universities became 'normal and frequent' (Becher and Kogan, 1992, p. 45). Various codes of practice for universities to follow

and linking institutional performance to funding gradually fostered a culture of compliance. The Education Reform Act (1988) and the Further and Higher Education Act (1992) redrew the boundary between the government and the university (see Figure 6.2). It is clear that 'the zone of penetration' of central government through various quangos had moved into university territory, while 'academic norms and modes of self-governance had given way to powerful objective-setting by the central authorities' (Becher and Kogan, 1992, p. 49). The universities in England had no longer been in a dominant position in defining their boundaries with the government. (see more evidence given in 6.3.2)

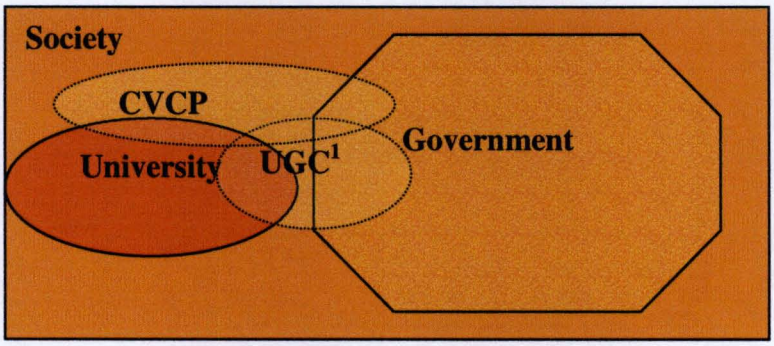


Figure 6.1. The 'Arm's Length' G-U relationship but Engaged through the UGC Prior to the 1980s (England)

Note 1. 'Zone of negotiation' (Neave, 1988a, p. 38) between G and U, in effect, which was controlled by the universities themselves. Thus, it is also called 'an extension of the university'.
2. Drawn by the researcher.

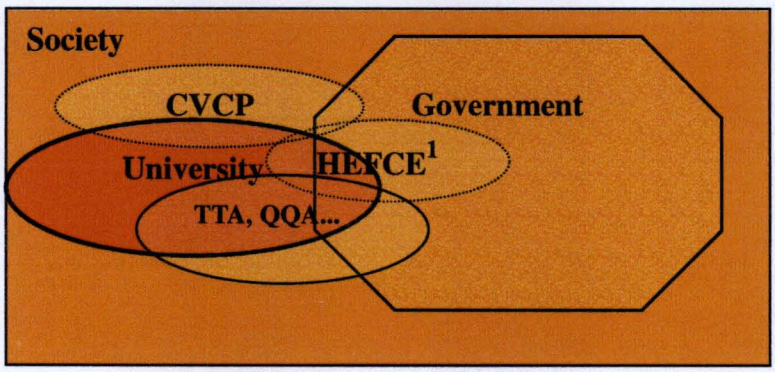


Figure 6.2. The Zone of Penetration of Central Government into the Universities in the Post-1988 Era (England)

Note: 1. 'Zone of penetration' (Neave, 1988a, p.45) of central government through quangos (HEFCE, QAA, TTA) into the universities. 2. Drawn by the researcher.

In Taiwan, universities' development was completely incorporated into a national centralised planning mechanism. The government control was two-fold. Externally, the MOE and other government agencies were issuing diverse regulations to control universities. Internally, for reasons of national security, the government deployed certain special personnel and political students to censor and report on the behaviour and speech of academics. The private universities were not exempted. Such an entangled G-U relationships between the government and the university can be termed as an 'enmeshed' relationship, which implies that the government was dominant in defining the boundaries, and the universities, were vulnerable to governmental actions. The universities in Taiwan were completely in the 'zone of penetration' of central government. As van Vught (1989, p. 54) describes, under such circumstances, the organisational variety of universities was greatly reduced and their professional autonomy was largely restrained. (see Figure 6.3)

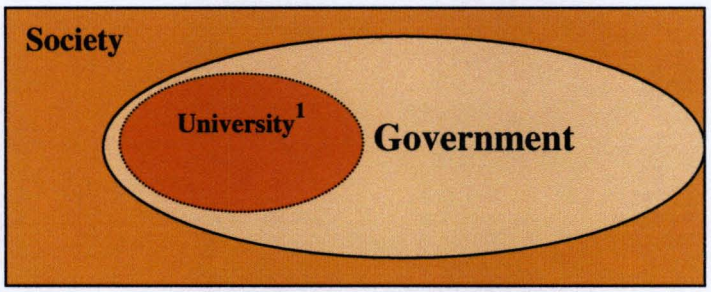


Figure 6.3. An Enmeshed G-U Relationship Prior to the Mid-1980s (Taiwan)

Note: 1. The university entity was, ironically, called as the University of the Ministry of Education. 2. Drawn by the researcher.

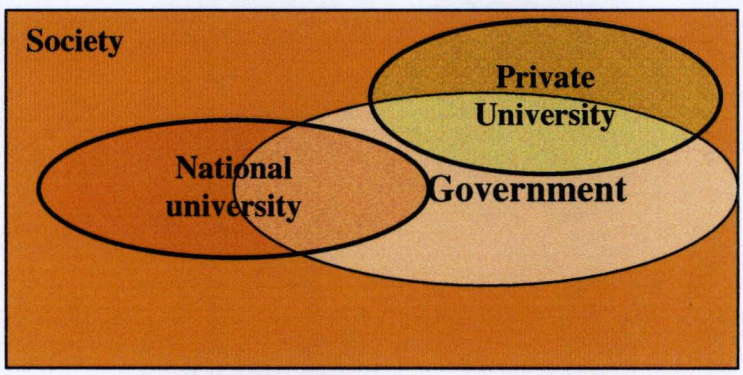


Figure 6.4. A Negotiable G-U Relationship in the Post-1994 Era (Taiwan)

Note: Drawn by the researcher.

In 6.4.2, the whole process by which the boundaries between the government and the universities shifted, in Taiwan, has been explored. The transitional social-political context since the 1980s has contributed to this shift. The universities started to claim autonomy, and to think in terms of their own goals, rather than those assigned by the MOE. The boundary of the university gradually moved out of the zone of penetration of the government, until it created a new territory, a status confirmed by the revision of University Act and the emergence of the Interpretation No. 380 of the Council of Grand Justice. (see Figure 6.4) Within the boundary of the university, the areas for university self-government have been extended, to include elements of academic matters, presidential selection, academic staff appointment and institutional development planning. The birth of a new territory offered a chance for universities to modify the boundaries with the government. This new relationship can be termed as the 'negotiable' G-U relationship. The private universities enjoy, in theory, more autonomy than their national counterparts, in the period after 1994.

The shifts from Figure 6.1 to 6.2, and from Figure 6.3 to 6.4, illustrate the changing G-U relationships in both countries. Comparison of Figure 6.1 with Figure 6.3 suggests that, in regard to university autonomy, the 'arm's-length relationship' mediated via the function of the UGC in England, meant that the university system there was able 'to bask in the informal rules of the republic of letters' (Becher and Kogan, 1992, p. 145), and 'grew accustomed to a very high degree of practical autonomy' (Eustace, 1994, p. 88). By contrast, the 'enmeshed relationship' in Taiwan implies that the university system was dominated by central government, and had weak autonomy.

Figure 6.2 and Figure 6.4 suggest that in both countries, the boundaries between the government and the university shift into a new area, that of shared territory, but differ as to which is dominant in defining or influencing the relationship and which body can succeed more, in expressing the values which it holds or embodies. The birth of a new territory in England is more an expression of the values of central government, which enlarges its area of influence. By contrast, the birth of a new territory in the case of Taiwan is more a case of the university checking whether parameters imposed by government are legitimate, and starting expressing its own values and purposes. Thus, one question to be asked is what implications of this present shifting in G-U relationships have for university autonomy in each country.

In England, the development of the university system is progressively placed within central government's area of concern, particularly when the 'gap' created by the HEFCE retreat from planning has been inevitably filled by the government rather than by the universities (Scott, 1995). The politicians then wish to decide 'what a university shall be' (Russell, 1993, p. 107) and the universities are moving toward a system in which they are not in control of their values and purposes (Tapper and Salter, 1992, p. 243). Under such a relationship, where the government has become more dominant in defining G-U relationship and has imposed more and more elaborate systems, many academics, like Tasker and Packham (1990), Becher and Kogan (1992), Russell (1993) and Scott (1995), suggest that university autonomy in England is eroded.

Unlike the English case outlined by Tapper and Salter (1995), the case in Taiwan demonstrates that legislation provides an opportunity for universities rather than government, to proclaim a new G-U relationship. Such a changing G-U relationship confirms and supports university autonomy which is granted by statutes, although in practice the MOE in some cases uses the instrument of treasury, that is, financial control, and the power of approval to influence universities' choices. However, whether university autonomy can be realised as a consequence of the changing G-U relationship is still inconclusive. The vacuum of power on campus, created after the retreat of the government's centralised authority, seems to be filled by the values and terminology of 'campus democracy' and 'professorial rules', but the chaotic reality has frustrated academics who fought for the rebirth of the university. In this situation, the universities in Taiwan may miss an opportunity to convince the government that they can govern themselves properly. This possibility is discussed in Chapter 8, where views of respondents are presented.

Chapter 7

Research Methodology

7.1 Introduction

It is insufficient to understand university autonomy by merely examining legal framework for universities, since a considerable gap can exist not only between legal and effective autonomy (Jadot, 1981), but also between the given power and the room for which those power can be exercised. Thus, this empirical study is hoping to give rise to another complementary picture of the practice of university autonomy, and its association with funding, in England and in Taiwan.

7.2 Methodological Issues Regarding Assessing University Autonomy

7.2.1 Methodological Issues

In the social research, the term of 'methodology' involves not only a set of methods, skills and procedures, but also 'the logical and theoretical basis' (Sjoberg and Nett, 1968) on which to find a way to produce 'accounts that correspond to the nature of social reality' (Hammersley, 1993). Thus, it becomes an interesting phenomenon, that is, a wealth of books and articles on the subject of the methodology in social research can range from being either very theoretical-oriented or very applicable, to a mixture of two. Indeed, it is far easier to give a definition to methodology than to give a comprehensive account of all methodological debates, or all the views taken towards the issue involved, since different views are supported by their epistemological advocators, ranging from positivists at one extreme to idealists at the other.

The social scientists holding the positivist views tend to believe that objective knowledge in the study of social world can be attained and observed as what nature scientists insist. By contrast, the social scientists holding the views of idealism or cultural relativism tend to believe that individual societies have their own 'laws and destiny', and even to lead a position 'to a denial of the very possibility of obtaining objective knowledge, and consequently of any generalizing science of society' (Sjoberg

and Nett, 1968, p. 6). These two epistemological poles are, as Henwood and Pidgeon (1993) describe, 'competing claims regarding what constitutes warrantable knowledge'. The war zone between them has already extended to different methodological paradigms. Among them, the fights between quantitative and qualitative research have vigorously remained at issue for several decades (Galser and Strauss, 1967).

The methodologists in the quantitative research paradigm try to minimise contextual influence by standardising the procedures of data collection, thus enhancing reliability, while they tend to assume that there is a clear and unambiguous reality out there. Unsurprisingly, they tend to question the objectivity of the qualitative research, and criticise the low level of reliability (consistency) and generalisability of its findings. However, social phenomena do not exist in vacuum, and the methodologists holding qualitative approaches assume that everything is situated in its own unique context and tend to seek contextual interpretations of the social world. They tend to criticise 'the simplistic and superficial nature of quantitative research' (Jayaratne, 1993), and to the extreme, even, to strongly claim that there is a need 'to reduce or eliminate the use of quantitative research as a valid methodology for social scientists' (Reinharz, 1979).

However, if the debates end with the claim that the quantitative approach is superior to the qualitative one, or vice versa, they will become part of the questions, rather than the way to answer the questions. Increasingly, the assumption that they represent two opposed approaches to the study of the social world has been challenged. This is not to deny the reality of differences in epistemological positions, and consequently in nature of data, modes of data collection and data analysis between quantitative and qualitative research. While they share the same aim, that is, achieving the way to develop, support and explicate social theory, research methodologists, like Schofield (1993), Jayaratne (1993) and D. Scott (1995), make efforts to reconcile the hostility between these two methodological approaches. Based on the observations of Cronbach *et al.* (1980), Schofield (1993) claims that 'the striking rapprochement' between them occurred during the 1980s after both sides of researchers have more contacts with each other's traditions (p. 204). Jayaratne (1993) advocates the use of qualitative data in conjunction with quantitative data, since quantitative research could benefit from the addition of qualitative data, and certainly qualitative data can support and explicate the meaning of quantitative research. Also, D. Scott (1995) indicates that 'two methods do not belong

within separate research paradigms and thus can be sensibly used with the same investigation'. Although the choice between quantitative and qualitative research is to do with their suitability in answering particular research question (Bryman, 1988) and this can be very pragmatic, the accounts above provide an orientation to the discussion of the methodological issues regarding assessing university autonomy.

7.2.2 Assessing University Autonomy

There are some empirical studies on assessing university autonomy. The studies of Levy (1980) and McDaniel (1996) are examples among them. Interestingly, both studies employed different research approaches, but both of them had an extensive involvement of peoples within a country or across countries. In the former, interviews with 100 Mexican scholars with a reputational and positional basis, were employed. In the latter, questionnaires were used to assess the current level of institutional autonomy in the 75 states and countries involved.

Levy (1980) makes the criticisms that the absence of rigor definition of university autonomy 'permits loose usage, especially as authors seize randomly upon only one or two aspects of autonomy while ostensibly evaluating the overall concept' (p.2). There are three reminder points from Levy's study for this research. First of all, the researchers should consider how to operationalise the definition of university autonomy before assessment. Second, the expression of the practice of university autonomy is multi-dimensional, covering not only academic and financial, but also appointive (personnel) and institutional governance, aspects. Thus, he gives an operational definition of university autonomy as 'who decides' or 'whether universities control over' major components of university affairs. Such an operational definition is still commonly used in relevant studies, but there are differences in what constitutes 'major' components of university affairs. Third, an in-depth analysis of the context issue should be included in understanding the practice of university autonomy of any given country.

However, if the studies involved many countries, then, apparently, they will have difficulties in affording an analytical methodology such as that of Levy (1980), which is feasible when the studies involve a single country or few countries. McDaniel's study (1996) is another type of example. McDaniel (1996) designed the questionnaire with 19

questions and issued it to the higher education authorities in 75 countries. After summing the scores, he drew a matrix to illustrate the relevant and referential location of each country. Indeed, it provides a broad picture of university autonomy across countries. With the thought of the complexities of the practice of university autonomy, McDaniel's study reveals a major deficiency, which appears commonly as the subject of criticism to quantitative research. That is the ignorance of the context issue in understanding university autonomy, which leads to question what purpose of such a research tries to achieve. Does it only intend to claim that one country has greater university autonomy than another? Thus, working out a matrix to illustrate the results sounds interesting, but it means little in terms of understanding of university autonomy in different countries, and tends to over-simplify the concept of university autonomy.

From the reviews of the studies above, a deficiency is still manifest in terms of the quality of research. However, laying all blame on researchers may not be completely fair while the concept of university autonomy is multi-dimensional, and there are no established models in assessment of university autonomy. It is believed that the concept of university autonomy is 'contextually and politically' defined (Neave, 1988a). It is hard for social researchers to claim that what they obtain is a complete picture of the practice of university autonomy.

There is a need of 'a critical examination of the impact of the researcher upon the research design is the first step toward objectivity', while the researchers themselves are recognised as a variable in the research design (Sjoberg and Nett, 1968). Recalling the discussions during attending doctoral programme training courses, one picture was drawn to the researcher's attention, that is, that most research students seem to give more credits to a qualitative-oriented research than a quantitative-oriented one, while the tutors asked us 'what research methodology will you adopt in your research?'. On certain occasions, it needed courage for those students who planned to employ a merely quantitative approach in their 'PhD' research to justify their choices. This background influenced the researcher to avoid choosing quantitative methods as a research approach in the first place. However, after extensive theoretical exploration of the concept of university autonomy and with reflection on methodological debates, choosing the use of quantitative research in conjunction with qualitative research comes to seem critical, not arbitrary, and it is also the consequence of a careful consideration of the research

objectives.

7.3 Research Design

The purpose of the empirical research is to investigate university staff's views of the practice of university autonomy, and its association with funding in key areas of affairs, and of the usefulness and applicability of the concept of 'contractual autonomy', proposed by the present study, in both countries. This empirical study was built on a two-stage research design. The first stage was a questionnaire survey, designed to provide some breadth to the portrayal of the overall picture of the practice of university autonomy, and the relationship between university autonomy and funding, in England and in Taiwan. This stage was conducted during the period April to May 1998. Second, based on initial statistical analysis of the questionnaire, interview schedules were drafted, to conduct in-depth interviews with those universities, which expressed willingness to be further interviewed after the questionnaire survey. The interviews were undertaken in England (during the period May to August 1998) and in Taiwan (September and October 1998), respectively. Diagram 7.1 briefly illustrates the overall design framework of the investigation.

Two fundamental principles have been born in mind during the process of research design: one is to evaluate the feasibility of the empirical design; the other is to set out the logistics, including time-requirements. The design stage was regarded by the researcher as an iterative, dynamic process, such that completion came only with the final-draft questionnaire through which the final data was collected. On feasibility, the design was refined via a 'pre-pilot' study, before a formal pilot. Although time-consuming, the 'pre-pilot' study provided the researcher with valuable experience and lessons, by which the research design was re-thought and the instrument of research was refined before carrying out fieldwork.

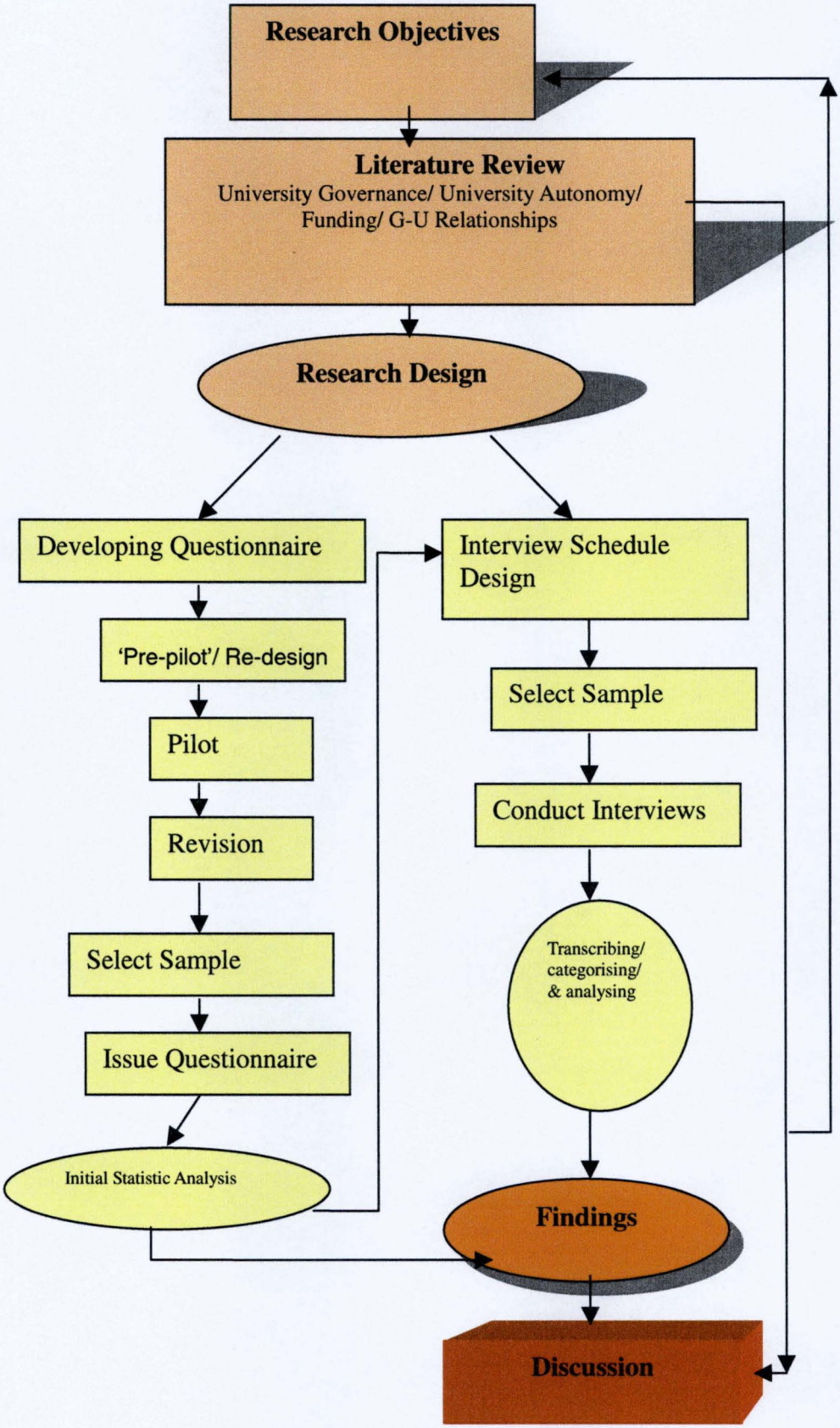


Diagram 7.1 Design of the Investigation into University Autonomy and its Relationship with Funding in England and in Taiwan

7.3.1 Design of the Research Questionnaire

The instrument of research was devised to help provide the empirical data from four aspects, covering, first, what the degree of autonomy in 37 key areas of university affairs is; second, what areas are under external regulations; third, on what areas universities have the possibility of reducing external control by raising of universities' own income; and, fourth, on what areas university autonomy has changed during the past ten years. Given the distinctive purposes of this research and with the thought of limitation of the pre-existing questionnaires, there seems no other feasible way, except devising a new questionnaire. Nevertheless, pre-existing questionnaires (for example, McDaniel, 1996) on the assessment of university autonomy provided this design with a stimulating starting-point.

Critically, and in the technical sphere, one great challenge came - how to include the 37 key areas of university affairs, overall and, on each four sections of questions needing to be asked, and to balance respondents' patience against time availability, and the resulting possible effect on data quality, and the response rate. On the latter, however, Fowler's dictum (1993) was noted - 'there is no agreed-upon standard for a minimum acceptable response rate'. A traditional format (a list of questions) did not work effectively, because it generated a questionnaire at least eight pages long. In the end, a tabular framework was devised to minimise the length of the questionnaire, and maximise respondents' willingness to fill in it.

The instrument of this research – *Questionnaire of University Autonomy and Its Relationship with Funding* (see Appendix 4) – was briefly introduced as follows:

In Section I, on the degree of university's decision-making power, a five-point scale was employed to ask the respondents to locate decision-making on each area of university affairs, on a scale 'entirely within university', 'largely within university', 'shared or mixed', to 'largely external' and 'entirely external'. These five options were operationally defined as follows in the guidance to respondents:

1). 'entirely within university': Initiation, process of decision-making and final approval are all in control of the university.

2). 'largely within university': At least one of the 3 stages is significantly influenced by outside agency.

3). 'shared or mixed': There are significant inputs from both inside and outside the university, and both have effective power of veto over the decision. A decision is also 'shared' if in some cases it is made by the university and in others it is determined externally.
4). 'largely external': External authority has formal power to initiate the making of a decision, or to give final approval, but is subject to some influence by the university.
5). 'entirely external': The whole decision process is determined by an external agency or agencies.

In Section II, on the form of external influence or authority, there are four options provided - 'legal/ administrative', 'financial', 'other', and, finally, 'none/ don't know.'
1). 'Legal/ administrative' form means those in statutes, government regulations, etc.
2). 'Financial regulations' means any significant financial conditions imposed by government. The other two options are self-explanatory.

In Section III, on the possibility of significantly reducing external control if a university can raise its own income, there are three options provided - 'yes', 'no', and 'don't know/ not applicable.'

In Section IV, on any change in autonomy during the past ten years, there are three options provided - 'increase', 'decrease' and 'no change'.

Indeed, formulating the questionnaire, one immediate issue, also a common subject of criticism in survey, had to be considered. It is its pre-set response categories, limiting the way the respondents can answer and making it unlikely to evaluate the validity of the answers. To minimise the validity of such a criticism, an explicit "don't know" option in Section II and III was included. Inclusion of this option has been argued by Andrews (1984) as being associated with better data and high validity (cited in Foddy, 1993, p. 111). After adding an introduction, institutional background details, and the key guidelines for completing questionnaire to the draft questionnaire, an appendix was also attached for inviting respondents' comments, and an invitation to make further contact if they were willing to be interviewed, or to receive a copy of the summary of the study. After the draft English questionnaire was completed, the Chinese version of questionnaire was produced through several rounds of translation and back-translation.

After drafting the questionnaires (English and Chinese versions), a pilot study was conducted with 14 persons (eight from pre-1992 and six from post-1992 universities) in England, and five persons (four from two national and two private universities, and one from the Ministry of Education) in Taiwan. Several revisions were made in the light of this pilot to both English and Chinese questionnaires. In both versions, for example, a note was added beneath the Table of questions to clarify what 'external agencies' meant, 'the guidelines for completing the questionnaire' were made much clearer, an option 'Not applicable' in Section III was added, and e-mail addresses were given. In the English version, some areas of university affairs were suggested to be more explicit, such as that area 26 should have the 'undergraduate' tuition fees added. In the Chinese version, the advice, such as combining several areas (such as, 31 and 32), to add some areas (such as, award an honour degree), and to omit the areas 27 and 28, was given. After careful consideration and discussion, 37 key areas of university affairs were sustained, because increasing the number of areas covered would have made the questionnaire unacceptably complex. Also, no item of out of 37 areas was omitted, because the latter were regarded as key university affairs, regardless that some of them in practice, at present, were not allowed to do by the government in Taiwan.

The final drafts of the questionnaires (English and Chinese versions) were formally issued. Of course, established strategies were followed to maximise effectiveness of a postal questionnaire, such as providing a stamped addressed envelope. One week after the pre-designated return date, non-respondents were sent with, not only a reminder card, but also another copy of questionnaire, in case they had mislaid the first one, and/or they did not have time to search for it.

The sample in this study comprised the universities in England and in Taiwan. In England, those institutions with the title of university were selected. For the University of London, several major colleges were selected to take part in this study. In Taiwan, institutions with the status of university (some of them are called 'college') before the passage of the revision of the University Act in 1994 were selected. The total number of selected universities was 77 in England and 40 in Taiwan. Senior staff of the individual selected universities, such as the vice-chancellor (called 'president' in Taiwan), the registrar, or the secretary, were target respondents of this survey.

Despite the efforts, made in the design and piloting of the questionnaire, some rejections were inevitable, but some of the latter included explanations of refusal to participate, reasons being, for example, lack of institutional resources (e.g. time), or a set institutional policy of declining to participate in such studies. However, the overall response rate was quite encouraging. Table 7.1 shows that of 77 universities approached in England, 45 questionnaires were returned (58.4%). From 40 selected universities in Taiwan, 27 questionnaires were returned, and the response rate was 67.5%. It can be inferred, though tentatively, from these response rates, that the subject matter of this study, university autonomy, remains of interest to a substantial numbers of university staff in both countries. Table 7.2, 7.3 and 7.4 illustrated basic data regarding types, financial types (referring to Table 5.2), and number of institutions (pre-1992 and post-1992 in England, and national and private in Taiwan), and categories and number of respondents and those willing to be interviewed after the questionnaire survey.

Table 7.1 Response Rate by Type of Institution

Type of Institution	Questionnaires Dispatched	Questionnaires Completed	Response (per cent)
England			
Pre-1992 university	43	25	58.1
Post-1992university	34	20	58.8
Total	77	45	58.4
Taiwan			
National university	18	14	77.8
Private university	22	13	59.1
Total	40	27	67.5

Table 7.2 Categories of Respondents

Type of Respondent	Vice-chancellor/ President	Secretary and Registrar	Registrar	Secretary	Planning Manager and Others
England					
Pre-1992 university	4	6	10	4	1
Post-1992 university	6	2	3	6	3
Taiwan					
National university	11	0	2	1	0
Private university	10	0	0	1	2

Table 7.3 Universities Regrouped according to Financial Type in England

Financial Type	Type 1	Type 2	Type 3	Type 4	Type 5
Number of Institutions	4	14	1	25	1

Note: Financial types refer to Table 5.2.

Table 7.4 Type and Number of Respondents Answering 'Yes' for Further Interview

Type of Respondent	Number	V-C/ President	Secretary and Registrar	Registrar	Secretary	Planning Manager and Others
England						
Pre-1992 university	9	2	1	3	2	1
Post-1992 university	6	0	0	2	3	1
Taiwan						
National university	2	2	0	0	0	0
Private university	2	1	0	0	0	1

Note: the number of interview is based on the respondents, who ticked 'Yes' at the time of filling in questionnaire. (see Table 7.5 for final number and type of interviewee)

7.3.2 Design and Carrying-out Interviews

The second stage of the empirical study involved 25 in-depth, semi-structured, tape-recorded interviews with senior staff of universities in England and in Taiwan (10 in England and 15 in Taiwan). Interview schedules were expected to achieve, first, a greater understanding of some interesting findings from the initial analysis of questionnaire survey, particularly those points showed inconsistencies with, or contradictions of, the literature. For example, results from Section III suggest – except in respect of certain areas of university affairs – little optimism on the possibility of reducing external control by raising universities' own income, in both countries. Results from Section IV suggest, contrary to claims common in the literature, little support for the view from pre-1992 universities that university autonomy has decreased. Second, the views of university staff about their autonomy on, for example – 'What might be the main challenges to university autonomy?' and 'What is the relationship between university autonomy and funding?', were sought. Third, the interviewees were invited to comment on the definition of 'contractual autonomy'. (see Appendix 5 & 6 for interview schedules in detail)

However, several differences in the interview schedules for England and for Taiwan should be identified. In England, the staff views on the financial memorandum between the funding council and their university, and about the research assessment exercise (RAE) and teaching quality assessment (TQA) were sought. In Taiwan, the specific questions on the enormous changes on campus, which were occasioned by change in the government-university relationship; on the idea of 'professorial rule'; and, finally, on the granting to national universities, of legal corporate status, were asked.

Covering the above subjects, interview schedules were sent, with a covering letter, to individual interviewees two weeks before the appointment. At the interview, interviewees were invited to add any topics they thought important, for discussion, over and above those set schedules. Meanwhile, with the consent of interviewees, interviews were tape-recorded.

Compared with Table 7.4, Table 7.5 shows some changes in the number of interviewees. In England, initially fifteen respondents agreed to be interviewed. However, after further contact, some of them were lost before arrangements were finalised, reasons being, too busy, or changing post, or indeed changing university. Finally, ten interviews were conducted. By contrast, ten more universities in Taiwan for interview were gained, through further contacts and with the help of an MOE senior administrator.

Table 7.5Type (Code) of University Staff for Interview

Type of Interviewee	V-C/ President	Registrar	Dean	Secretary	Planning Manager and Others
England					
Pre-1992 university	2(VC1*[1]; VC2*)	3(Reg.1*; Reg.2; Reg.3)		0	1(Mang.1)
Post-1992 university	0	1(Reg.4)	1(Dean1)	2(Sec.1; Sec.2)	0
Taiwan[2]					
National university	4(Pres.1*; Pres.2*; Pres.3*; V-Pre.1*)	0	1(Dean2*)	2(Sec.3*; Sec.4*)	0
Private university	2(Pres.4*; Pres.5*)	0	3(Dean3*; Dean4*; Dean5*;)	2(Sec.5*; Sec.6)	0

Note: 1. '*' means that interviewee himself or herself is also an academic. 2. Each interviewee is given a code, used in the future analysis of interview. 3. The final number of interviewees in Taiwan is 15. One interviewee, who was planning to establish a private university, was a legislator, a member of an Education Select Committee in the Legislative Yuan.

7.4 Methods of Analysis

This section introduces methods of analysis on the data, obtained from the questionnaire survey, and from interview. Regarding quantitative data, SPSS Base 8.0 was used for statistical analysis. One feature of the quantitative data set of this study should be noted. Generally speaking, the aim of conventional quantitative research is to collect the sample data, which are used 'both to calculate sample statistics and to estimate how close these are to the unknown parameters' (Schofield, 1996, p. 26). How the 'sample' is selected matters, when the population size and location are not clear. Many ways of sampling have been proposed in sampling theory, such as simple random sampling, stratified random sampling, cluster sampling, and quota sampling.

However, the present research has a clear population, that is, all universities in England and in Taiwan, except those without the title of university in England, and those without the status of university before the passage of the University Act in 1994 in Taiwan, for which many relevant population parameters should in theory be known. However, respondents' willingness to take part was of course beyond the control of this study. Thus, the 'sample' was produced, when individual selected universities chose to return their accomplished questionnaires, or to decline participation. The response rate of each group of institutions being over 50 percent means that the sample is reasonably representative of establishments overall within each group. Inferential statistics can also be used to test hypotheses about differences in the population, using the data from the sample (Calder, 1996). Thus, both descriptive statistics, to summarise the data, and inferential statistics, to test the generalisability of the results for sub-groups, are relevant in this study.

On the data obtained from Section I of the questionnaire, four statistical methods were used. First, the T-test was used to compare the means of university autonomy scores between countries (England and Taiwan) and between type of institutions (pre-1992 versus post-1992; national versus private). Second, ANOVA was used to compare the means of university autonomy scores across four groups (pre-1992, post-1992, national,

and private universities). Third, Nonparametric test (K-independent Sample) was used to test the difference in the degree of university autonomy between institutions with different financial types. Fourth, Chi-square was used to test the difference in the overall proportion of university autonomy between countries. Finally, on the data obtained from Section II, III and IV of the questionnaire, Chi-square was also used to test differences between countries.

The steps taken between interviews and analysis, were, first, initial transcription of taped-interviews, verbatim, in the language of interviews; second, re-reading transcripts, to mark and, if possible resolve, points which were not clear; third, listening to the tapes again, to eliminate as far as possible any doubtful points, and to create reports of interview. And then, English being as the second language of the researcher, two native speakers were invited to read through interview reports and marked doubtful points, to alert the researcher to re-check them via the tapes. Finally, the report on each interview in England was sent back to the interviewee for verification. Regarding interview transcripts in the case of Taiwan, the first three procedures were as for the English data, and the transcripts were then translated into English.

Subsequently, to analyse the qualitative data, the following techniques were used: 1) search of transcripts for themes, 2) development of analytical categories, and 3) to index all pieces of transcribed texts accordingly. The main themes to be looked for, in the data, included: the main challenges of university autonomy; the relationship between university autonomy and funding; the government-university relationship; themes specific either to England or to Taiwan; and, finally, the feedback about the definition of 'contractual autonomy'. Under each theme, the analytical categories were developed to index transcribed texts.

Dealing with all the categorisation and indexing, the computer package (NUDIST) was employed in order to trace each reference back to the interview which had generated it, and to retrieve or add indexes. Basically, the package helped the researcher look at data horizontally, across different interviewees. However, the indexed texts themselves provided only with a route into the qualitative data set, rather than providing analytical end-products. Finally, it should be noted for clarity that the data from questionnaires and from interviews were treated as being independent the one of the other, in what they

provided to the overall investigation, though they were clearly related and might well generate themes which would turn out to be similar. Empirical findings are presented in the next chapter.

Chapter 8

Empirical Findings in England and in Taiwan

8.1 Introduction

This chapter aims to provide the survey results, quantitative and qualitative, on respondents' perception of 1) university autonomy in practice; 2) the relationship between university autonomy and funding; and, 3) the usefulness and applicability of the concept of 'contractual autonomy'.

8.2. Results on University Autonomy in Practice in England and in Taiwan

Results on university autonomy in practice, in this section, cover four aspects: first, the degree of university's decision-making power in 37 key areas of university affairs; second, the proportion of those 37 key areas of university affairs which are thought by respondents to be under any external regulation, and if so, what form the external regulation takes; third, the proportion of the key areas of affairs in which autonomy has changed over the past ten years; and, fourth, the views of university autonomy in practice held by university staff in both countries. The first three aspects are presented in 8.2.1, and the final aspect is presented in 8.2.2.

From here on, references to "key areas of university affairs" means, unless clearly specified otherwise, the specific set of 37 key areas of university affairs which were investigated in this study.

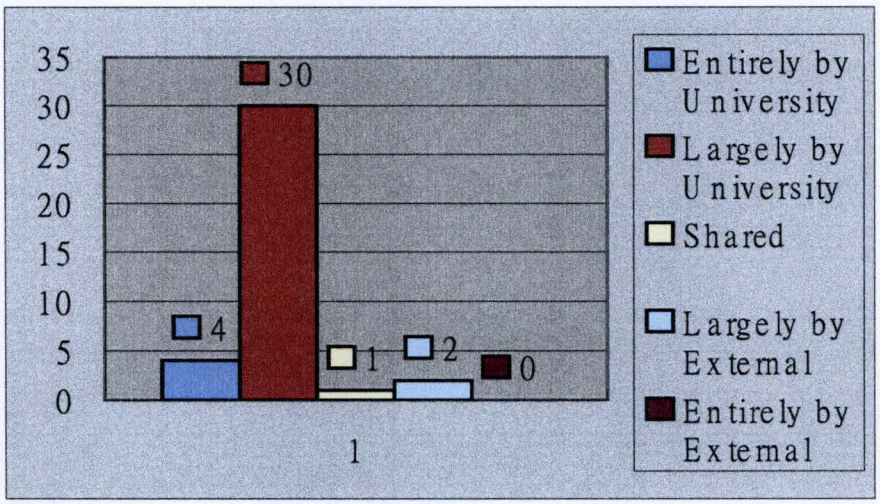
8.2.1 Questionnaires on University Autonomy in Practice

Degree of University's Decision-making Power

Figure 8.1 indicates that, in a majority of key areas of university affairs (34 out of 37; 92 per cent), respondents from universities in England thought that they could decide

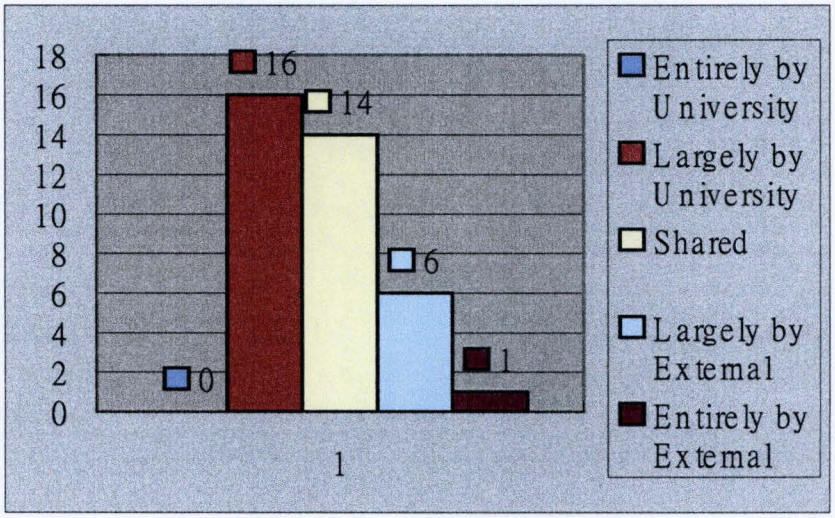
themselves. Four areas, which they thought they could, entirely, decide for themselves, concern matters such as appointments of faculty deans and department heads, registrar, personnel director and finance director. However, there were certain areas which were thought to be largely decided by external bodies, though these areas represented a tiny proportion of the total. Such areas include: determining number of UK undergraduates, setting level of undergraduate tuition fees, and determining salary scale of academic staff. These results also applied to pre-1992 and post-1992 universities. There was no statistically significant difference between pre-1992 and post-1992 university respondents regarding the perception of the overall university's decision-making power, and that power in the individual affairs.

Figure 8.1 The Overall Pattern of University's Decision-making Power in England



As shown in Figure 8.2, in respect of nearly half of key areas of university affairs (16 out of 37; 43 per cent), respondents from universities in Taiwan thought that they could, largely, decide for themselves. However, for more than one-third of them (14 out of 37; 38 per cent), they thought that they shared decision-making power with external bodies. They thought that there were six key areas of affairs which were decided largely by external bodies, and one key area which was wholly out of the control of universities. The former include the areas such as undergraduate entry qualifications, number of undergraduates and postgraduates, setting level of undergraduate tuition fees, determining salary scale of academic staff and salary of individual academic staff. The latter, one area, concerns rights to establish university company, on which external bodies have full decision-making power.

Figure 8.2 The Overall Pattern of University's Decision-making Power in Taiwan



Significant differences between national and private universities in the degree of university's decision-making power were found in eight individual areas of affairs. In seven of the latter, private universities enjoyed a greater degree of decision-making power than their national counterparts. These areas include: appointments of president, personnel director, and finance director; drawing up annual budgets; determining salary scales and salary of individual academics; and, finally, setting annual income generation targets. However, national universities enjoyed a greater degree of decision-making power than their private counterparts on the area of promotion of academic staff.

Significant differences between England and Taiwan were found in the overall pattern of university's decision-making power (Pearson chi-square .000, d.f. 4; see Figure 8.3). The proportion of key areas of affairs, in which university respondents thought that they, largely or entirely, decided matters for themselves, was higher in England (92 per cent) than that in Taiwan (43 percent). In both countries, however, matters in the areas of determining undergraduate numbers, undergraduate tuition fee level, and salary scale of academics, were thought to be decided largely by external bodies.

Figure 8.3 The Overall Pattern of University's Decision-making Power: Comparison between England and Taiwan

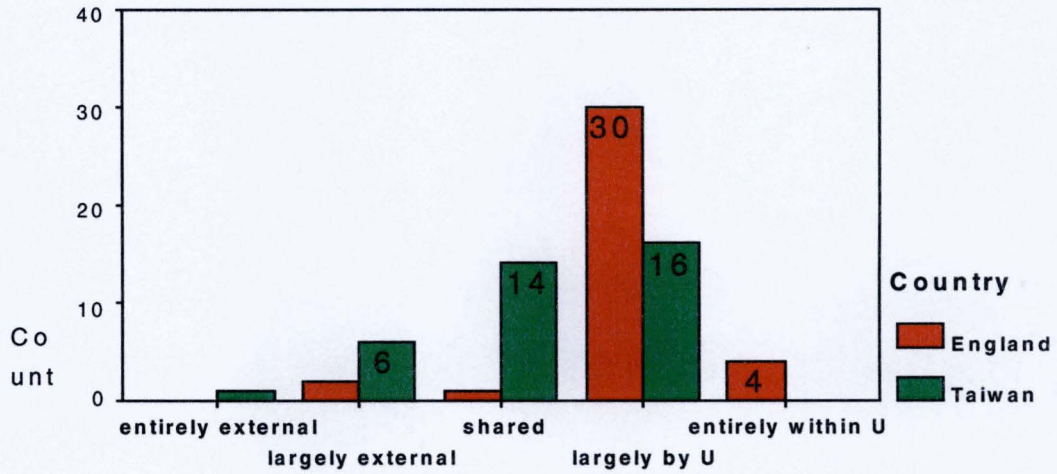


Table 8.1 Differences in Degree of University's Decision-making Power in Individual Key Area of Affairs between Respondents in England and Taiwan

Key Areas of University Affairs	Country (Mean)		T Value
	England(45)	Taiwan(27)	
1. Undergraduate Entry Qualifications	4.82	2.74	8.695**
4. Number of Postgraduates	3.98	2.88	4.640**
6. Setting Degree Standards and Criteria	4.41	3.56	3.507**
7. Awarding the Degree	4.82	3.96	4.115**
16. Appointment of Vice-chancellor/ Principal	4.96	3.81	6.635**
18. Promotion of Academic Staff	4.96	4.44	3.252**
19. Dismissal of Academic Staff	4.84	4.52	2.905**
22. Appointment of Personnel Director	5.00	3.63	5.225**
23. Appointment of Finance Director	5.00	3.52	5.868**
24. Drawing up Annual Budgets	4.67	3.56	4.325**
27. Setting up University Companies	4.69	1.88	9.531**
29. Determining Price of Commercial Teaching	4.67	3.63	5.019**
32. Determining Salary of Individual Academic Staff	4.51	2.41	6.654**
33. Setting Annual Income Generation Targets	4.91	3.56	5.669**
36. Establishing/ Merging/ Discontinuing Departments/ Faculties/ Group Studies	4.89	3.33	8.873**
37. Determining Internal Administrative Structure	4.96	3.93	6.021**

Note: Results significant at 0.001 level.

Also, significant differences between England and Taiwan in the degree of university's decision-making power in individual key areas of affairs, were found. As Table 8.1 suggests, there is one systematic difference – while respondents from most universities in England believed that they could decide matters in a majority of these 16 areas for themselves, respondents from universities in Taiwan thought that they shared decision-making power with external authorities in most of them (10 out of 16), but left decision-making power largely to external authorities in four areas (1, 4, 27, and 32).

The results of ANOVA and Scheffe multiple comparisons suggest that statistically significant differences in the degree of university's decision-making power, among the four groups of universities, exist for 19 individual areas of university affairs. Both pre-1992 universities and post-1992 universities in England had greater degree of decision-making power than either national or private universities in Taiwan. These 19 areas were summarised as eight patterns (Table 8.2). Pattern 4 shows respondents from national universities in Taiwan claiming to have the lowest degree of decision-making power, in appointment of personnel and financial directors, and in several financial matters (24, 28, 31, and 33), among the four groups of universities. Pattern 7 shows respondents from private universities in Taiwan claiming to have the lowest degree of decision-making power in the promotion of academic staff, among the four groups of universities.

Table 8.2 Patterns of University's Decision-making Power in Individual Key Areas of Affairs: Comparison of Four Groups of Universities

Patterns	Areas of University Affairs	Patterns	Area of University Affairs
1. 1, 2>3,4; 4>3	6,27, 32	*5. 1, 2>3; 2>4*	7
2. 1, 2>3,4	1,29,36,37	*6. 2, 3>4*	17
3. 1, 2>4	4,6	*7. 1, 2, 3>4*	18
4. 1, 2, 4>3	22,23,24,28,31,33	*8. 2>3*	19

Note: 1. summarised from the results of multiple comparisons;

2. '1' = pre-1992 university in England, '2' = post-1992 university in England, '3' = national university in Taiwan, '4' = private university in Taiwan

Results on University Affairs under External Regulation

Results relating to university affairs under external regulation were two-fold: broad and

detailed, in scope. The former concerns the overall proportion of key areas of university affairs, which were thought to be under external regulation in both countries. The latter concerns the forms that such external regulation those areas take.

As shown in Figure 8.4, over half of key areas of university affairs (20 out of 37; 54 per cent), were thought to be under some degree of external regulation by respondents from universities in England. These 20 areas involve (see Table 8.3): student recruitment (1, 2, and 4), structure contents of teaching and research (5, 6, 8, 9, 11, 12 and 13), research management (14 and 15), dismissal of academic staff (19), financial management (24, 26, 27, 28, 30, 31, and 32). No differences in the proportion of key areas of university affairs under external regulation, and in forms of external regulation, were found, between respondents from pre-1992 and post-1992 universities.

Figure 8.4 Overall Pattern: Proportion of University Affairs Thought to Be under Some Degree of External Regulation in England

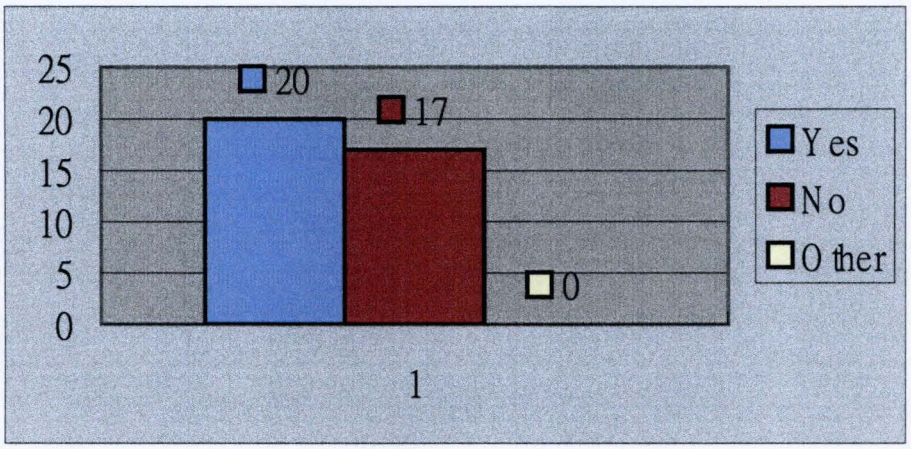


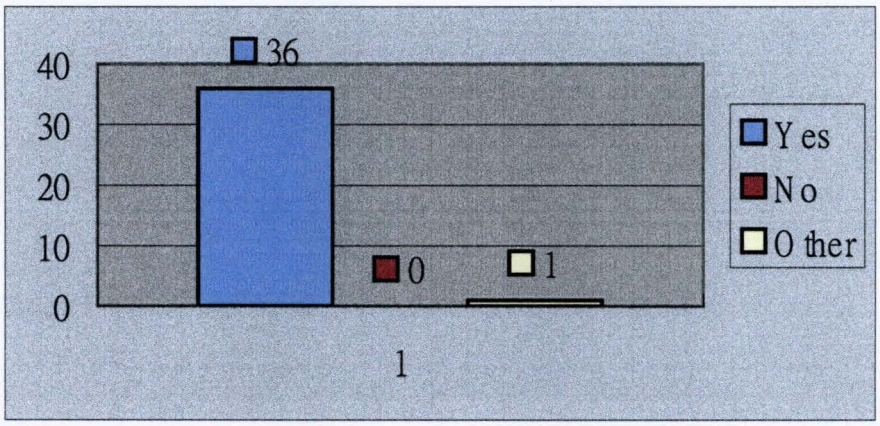
Table 8.3 Twenty Areas of Affairs Thought to Be under a Certain Degree of External Regulation, by Respondents from Universities in England

Main Aspects	Key Areas of University Affairs
Student Recruitment	1. Undergraduate Entry Qualifications [1]
	2. Number of undergraduates
	4. Number of Postgraduates
Structure and Contents of Teaching and Research[1]	5. Setting Exams & Student Assessments
	6. Setting Degree Standards and Criteria
	8. Structure of Academic Courses
	9. Contents of Individual Courses
	11. Adding/ Discontinue Postgraduate programs
	12. Broad Research Priorities
	13. Direction of Specific Research Projects
Research Management	14. Ownership of Copyrights
	15. Ownership of Other Intellectual Property Rights
Staffing	19. Dismissal of Academic Staff
Financial Management	24. Drawing up Annual Budgets
	26. Setting Level of Undergraduate Tuition Fees
	27. Setting up University Companies
	28. Borrowing Money from Capital Market
	30. Determining Price of Research Contracts/ Projects
	31. Determining Salary Scales of Academic Staff
	32. Determining Salary of Individual Academic Staff

Note: 1. Respondents offer a statement that the external regulation on these areas came largely from professional bodies, such as the Engineering Society, the General Medical Council, and the QAA as well.

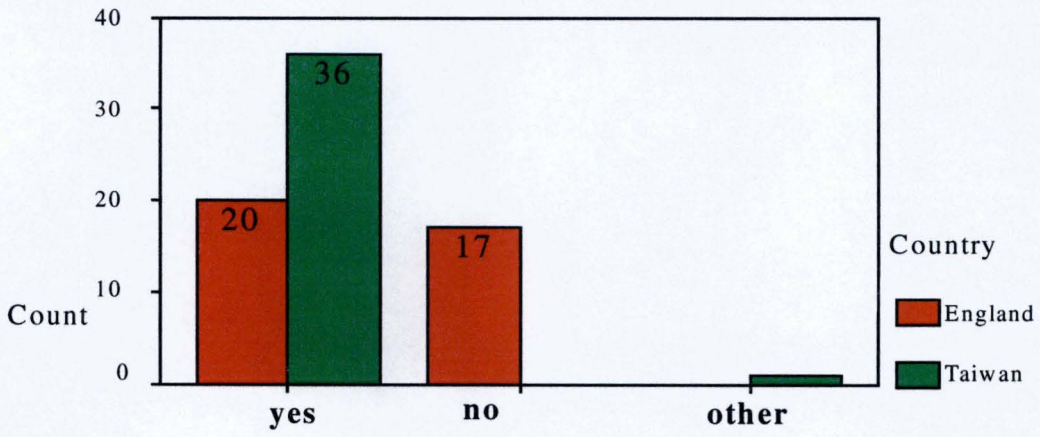
For respondents from universities in Taiwan, as shown in Figure 8.5, nearly every area of university affairs (36 out of 37; 97 per cent) were thought to be under external regulations, the only exception being the area of direction of specific research projects. This picture also applied to national and private universities. For the former, all 37 key areas of university affairs were thought to be under external regulation. For the latter, a high proportion of key areas of university affairs (34 out of 37; 92 per cent) was thought to be under external regulation.

Figure 8.5 Overall Pattern: Proportion of University Affairs Thought to Be under Some Degree of External Regulation in Taiwan



Statistically significant differences, in the proportion of key areas of university affairs thought to be under external regulation, were found between England and Taiwan. Chi-square test results suggest that the proportion of university affairs, which were thought to be under external regulation, was higher in Taiwan than in England (see Figure 8.6; Pearson chi-square .000, d.f. 2).

Figure 8.6 Proportion of University Affairs under External Regulation: Comparison between England and Taiwan



Under External Regulation (Pearson chi-square .000; d.f.2)

Differences in forms of external regulation were found in 25 individual areas of university affairs between England and Taiwan. Forms of external regulation on these 25 areas were summarised and listed in Table 8.4.

Table 8.4 Summary of Forms of External Regulation in England and Taiwan

	England	Taiwan	Key Areas of University Affairs
Forms of external regulation	No regulation	Legal/ Administrative	3. Selecting Postgraduate Entrants
			7. Awarding the Degree
			10. Adding/ Discontinue Undergraduate programs
			16. Appointment of Vice-chancellor/ Principal
			17. Appointing Academic Staff
			18. Promotion of Academic Staff
			20. Appointment of Deans & Department Heads
			21. Appointment of Registrar
			22. Appointment of Personnel Director
			23. Appointment of Finance Director
			25. Allocation Budgets within University
			29. Determining Price of Commercial Teaching
			36. Establishing/ Merging/ Discontinuing Departments/ Faculties/ Group Studies
			37. Determining Internal Administrative Structure
	No regulation	Legal/ Administrative / financial	33. Setting Annual Income Generation Targets
	Legal/ Administrative	Legal/ Administrative	6. Setting Degree Standards and Criteria
			19. Dismissal of Academic Staff
			24. Drawing up Annual Budgets
			26. Setting Level of Undergraduate Tuition Fees
			27. Setting up University Companies
			32. Determining Salary of Individual Academic Staff
	Financial	Legal/ Administrative	2. Number of undergraduates
			4. Number of Postgraduates
			30. Determining Price of Research Contracts/ Projects
	Financial	None	13. Direction of Specific Research Projects

The most noteworthy result is that, while a majority of areas (15 out of 25) were thought not to be under any form of external regulation by respondents from universities in England, they were thought to be under legal/ administrative or financial form of regulation by respondents from universities in Taiwan. These 15 were related to those

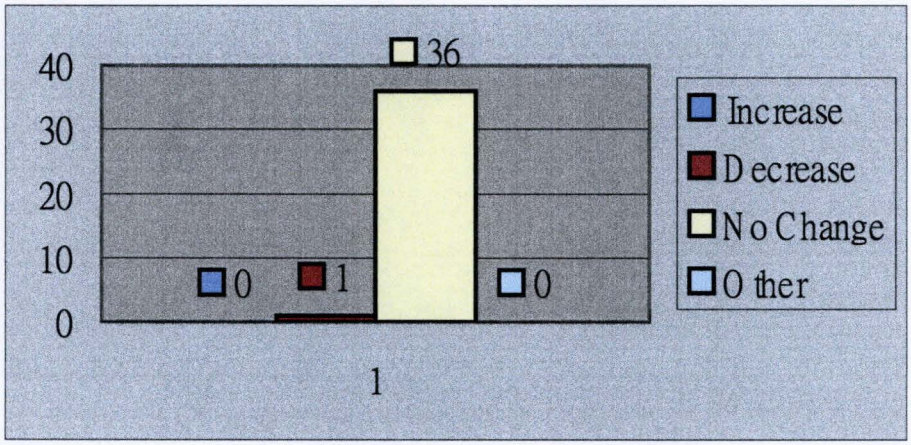
areas such as student recruitment (3), academic areas (7 and 10), staff appointments (16-18, 20-3), financial matters (25, 29, and 33), and institutional governance (36 and 37). Another difference is that, while areas such as number of undergraduates and postgraduates, and determining price of research contracts and projects, were thought to be under financial regulation by respondents from universities in England, they were thought to be under legal/ administrative regulation by those from universities in Taiwan.

Changes in University Autonomy

Results on changes in autonomy in key areas of university affairs were two-fold: broad and detailed, in scope. The former concerns the overall proportion of key areas of university affairs, on which respondents from universities in both countries thought that their autonomy has 'increased', 'decreased', or 'not changed'. The latter looks in more detail at those areas in respect of which respondents from universities in both countries thought that their autonomy had changed.

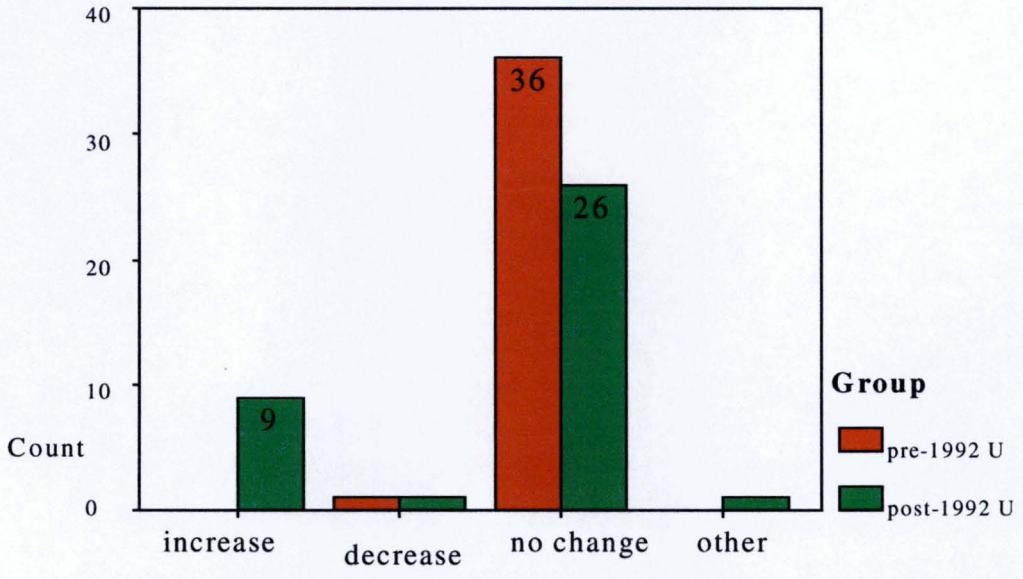
As shown in Figure 8.7, for a very large proportion of key areas of affairs (36 out of 37; 97 per cent), respondents from universities in England thought that their autonomy had not changed over the past ten years. Differences in the perception of changes in university autonomy between respondents from pre-1992 and post-1992, were found (Pearson chi-square .009; d.f. 3; see Figure 8.8). For pre-1992 universities, respondents thought that, for almost key areas of affairs (36 out of 37; 97 per cent), university autonomy had not changed, and in no area, had autonomy increased, over the past ten years. This result, together with the result on the overall pattern of university's decision-making power, suggests that pre-1992 university respondents thought that their universities had had decision-making power in almost all areas of university affairs, but remained to have a lower degree of decision-making power in two areas. The latter areas are setting level of undergraduate tuition fees (mean score: 2.30), and determining salary scale of academics (mean score: 2.58).

Figure 8.7 Overall Pattern of Respondents' Perception of Changes in University Autonomy in England



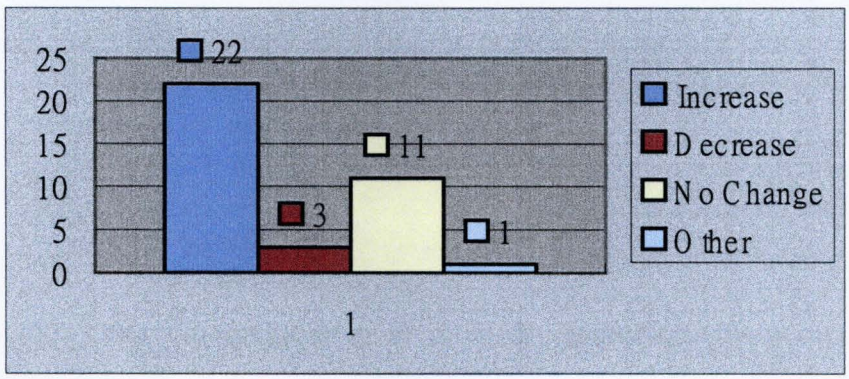
A different story appeared in the results from post-1992 university. Respondents there thought that, in almost one quarter of areas of affairs (9 out of 37; 24 per cent), university autonomy had increased. The areas involve determining number of postgraduates, awarding degrees, determining broad research projects, appointing of vice-chancellor, dismissing academic staff, drawing up annual budgets, allocating internal budgets, borrowing money from the market, and determining salary of individual academic staff. One finding, which should be noted here, is that for post-1992 universities, there were also a majority of university affairs (26 out of 37 areas), on which autonomy was thought not to have changed. As with the pre-1992 universities, post-1992 university respondents thought that their universities had had decision-making power in a majority of key areas of university affairs, but remained to have a lower degree of decision-making power in two areas. The latter areas are setting level of undergraduate tuition fees (mean score: 2.20), and determining salary scale of academics (mean score: 2.75).

Figure 8.8 Difference in Perception of Changes in University Autonomy as between Pre-1992 and Post-1992 University



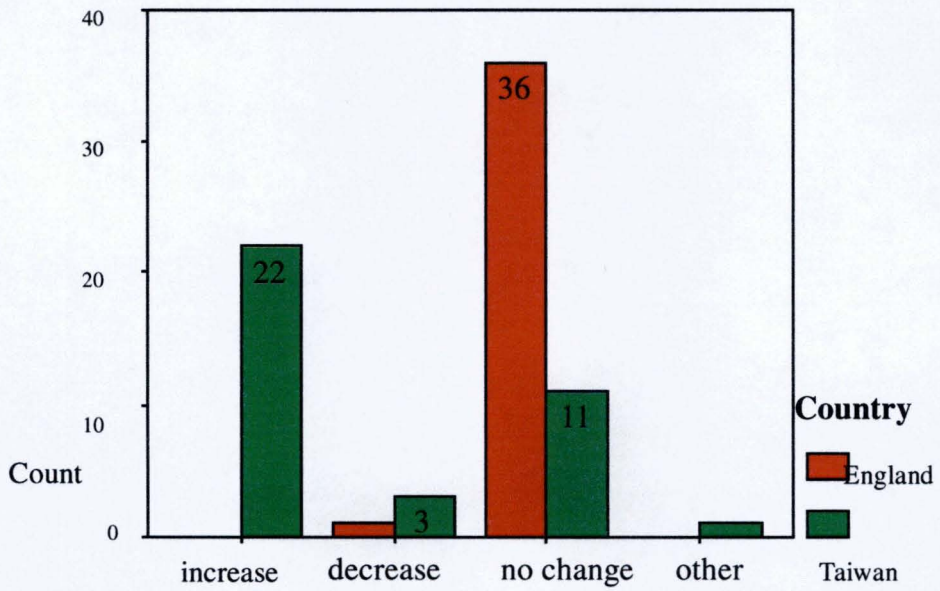
As shown in Figure 8.9, respondents from universities in Taiwan thought that university autonomy had increased in a majority of areas of affairs (22 out of 37; 60 per cent), but that university autonomy had not changed in a second largest group (11 out of 37; 30 per cent). In a very small proportion of affairs (3 out of 37; 8 per cent), university autonomy was seen as having decreased. No significant differences in perception of changes in university autonomy in key areas of university affairs were found between respondents from national and private universities.

Figure 8.9 Overall Pattern of Changes in University Autonomy in Taiwan



Significant differences in perception of changes in university autonomy in proportion of key areas of university affairs were found between England and Taiwan. Chi-square test results suggest that the proportion of key areas of university affairs in which respondents from universities thought that their autonomy had increased, is significantly greater in Taiwan than in England. (see Figure 8.10; Pearson chi-square .000, d.f. 3).

Figure 8.10 Difference of Respondents' Perception of Changes in University Autonomy between England and Taiwan



Changes in University Autonomy (Pearson chi-square .000; d.f. 3)

8.2.2 University Staff's Views of University Autonomy in Practice in Both Countries

Given that the questionnaire results have offered an overall picture of university autonomy in practice, the interview investigations provide the in-depth and critical examination of similarities and/ or differences in views regarding university autonomy in practice in England and in Taiwan. In this section the staff's views regarding the main themes - the backgrounds against which university autonomy has been brought forward as an issue, and the main challenges to university autonomy - are presented.

In England

Views differed as to whether there was any background to the bringing forward university autonomy as an issue. On the one hand, university autonomy never came as an issue to concern the public. A post-1992 university secretary believed that '*whether the universities are autonomous or not is not exciting the public*', and the issue of university autonomy '*merely matters for academics*', since '*what is happening in schools and in hospitals is more important to people than what is happening in the university*' (Sec.1).

On the other hand, university autonomy has undoubtedly become an issue in some quarters. Views which revealed a perception of background issues to the raising of university autonomy, related to a limited number of areas, namely, the contraction in government resources, government taking active position, the advent of a mass higher education system, and, as a concomitant, the issue of quality and standards. For example, one pre-1992 university registrar argued that university autonomy has had a very long history in England, to date;

> *...it became a problem... because resources got contracted. In the sense of general independence and freedom of manoeuvre, the real pressure put on the university is from the beginning of the Conservative Government in 1979 and the cut in 1981.... (and also because of) the Government and public nervousness about the standards following the expansion. The quality assurance and examination is a piece of machinery put into place, and really stems from a concern that more means worse. (Reg. 2)*

The advent of a mass system of higher education bringing university autonomy as an issue was also reflected in the view of another pre-1992 university registrar. He said,

> *I think that university autonomy reflects the history of university development. I think it is something much easier to explain and understand when there were far fewer universities and students. When you move to a mass system of higher education, then the question about autonomy is raised. Particularly when we take government money, then we have to accept that the government has the right to*

ask us to do certain things. (Reg. 1)

Nevertheless, the general picture drawn from the interviews indicates that interviewees from universities in England, whether pre-1992 or post-1992, felt that English universities were autonomous, as shown in the questionnaire results. However, some qualitative differences between pre-1992 and post-1992 university interviewees were detected. The most noteworthy difference was that the former tended to express philosophic and idealist views concerning university autonomy, while the latter tended to be more pragmatic and realistic. For example, several interviewees from pre-1992 universities expressed the view that being autonomous was of '*the very nature of the university itself*' (Reg. 1), a tradition reflecting '*a culture of the separation of academic scholarship from the state's intervention/.. Scholarship and academic inquiry should be free* ' (Reg. 2). Their views also related to being a position of '*being able to criticise the government*' (VC2). Besides, in the description of one pre-1992 university registrar, universities in England '*are still very free, if compared with the universities abroad*' (Reg. 3). He was confident in stating,

> *On determining contents and structure of courses, we still have considerable freedom...; on research, most of the research universities have considerable freedom in what they do...; on staff appointment, this is the area where we have an absolute freedom; and, on finance, we are largely free... we are sufficiently autonomous to make a profit and keep it. (Reg. 3)*

Optimism in relation to the practice of university autonomy was also shown by other pre-1992 university interviewees. For example, a registrar at an affluent pre-1992 university believed that unless '*the fundamental autonomy of the university - to appoint people whom we want to appoint, and to teach what we want to teach*' had changed, '*so far, no government really sought to interfere with whom we will appoint to teach and research (or) to interfere with the curriculum*'(Reg. 1). Besides, a planning and secretariat manager at a pre-1992 university was firm in believing that '*our autonomy stems from our power as an independent institution incorporated by Charter in which it is not currently possible to be influenced by outside rules*'. However, receiving public funds might condition the way in which universities in England exercise the powers

given by charter, this manager added. The latter view could be sensed among, but not much directly spoken by, other pre-1992 university interviewees. An exception was Professor R. Taylor, vice-chancellor of the University of Buckingham. Professor Taylor argued that other chartered universities could be independent like his university, but they chose not to be so, in order to receive '*guaranteed and easy money*' from the government.

None of post-1992 university interviewees expressed views such as one that university autonomy was a tradition, or of a nature of a university, as pre-1992 university interviewees did. They had more pragmatic views than their pre-1992 colleagues did. In their view, differences in the degree of university autonomy were not necessarily related to where a university's origin had been, but rather to the resources that institutions had. A dean of quality assurance of a post-1992 university argued that pre-1992 universities '*can have more autonomy not because of having royal charters but because of their financial situation*', and stressed that '*the extent of autonomy universities can exercise depends on their freedom in financial terms*'. He reinforced his arguments by indicating differences in the way of dealing with national bodies between pre-1992 and post-1992 universities. He stated,

> *...(in the THES) you will see a lot of articles about how Oxford and Cambridge say to the QAA: 'we are not interested in the quality audits; we don't like the way you are doing the subject reviews'. Actually they know perfectly well they've got the millions of pounds in the bank which can cushion them against the government. But we don't have much money in the bank at all and we have to respond to the opportunities through the HEFCE. The opportunities for us to do something different are very rare indeed. (Dean 1)*

The views of several post-1992 university interviewees also reflected a perception that financial constraint had made the practice of university autonomy less than that – legally - allowed. A university secretary of a post-1992 university admitted this, citing the example of his university, where 80 per cent of its income came from government, to illustrate the present situation. In his own words,

> *...the money is available through the funding council which obviously controls*

what we can do. In a sense autonomy is controlled by money. We are fairly dependent on government funding. Therefore, we don't really have much opportunity to argue. (Sec. 1)

Another difference between pre-1992 and post-1992 university interviewees, lies in views regarding the main challenges to university autonomy. Staff of the former tend to argue that increasing accountability, and unnecessary bureaucratic devices and arrangements imply a lack of trust in the government-university relationship, which threatens university autonomy, though one of them was concerned that '*when you receive less money, your room for maneuvre is much restricted*' (Reg. 2). Staff of the latter remain pragmatic in stressing financial security or institutional viability, instead of talking about university autonomy, and some of them (for example, Sec.1 and Sec. 2) even defended the government, arguing that its actions had nothing to do with university autonomy.

In the views of several pre-1992 university registrars, for example, what concerns universities is unnecessary bureaucracy. One of them (Reg. 1) claimed that universities accepted that the government, of course, had the right '*to look to certain level of standard of performance*', but thought that it should '*adopt a light touch dealing with*' such universities, having demonstrated that they had delivered an excellent education, rather than over-burdening them with unnecessary procedures. The present situation, however, made him ask, '*Why do we have to submit to the fundamental institutional reviews of the way we teach when the government consistently knows we come up with very high scores (in teaching quality assessments)*' and questioned, '*What does the government want to achieve by that?* (Reg. 1)'

Another registrar said that he could not imagine how those universities, which were particularly reliant on government funding, coped with government agencies' 'complete obsession' with accountability, '*which is affecting the ability of the university to think for itself and to move*' (Reg. 3). Some of them might find themselves in a position of 'being suffocated', if not 'being drowned', in accountability to government agencies, while '*more and more money is being targeted by the funding council for the government purpose or policy*'(Reg. 3), he added. He argued that '*the main challenge to university autonomy at the moment is the increasing encroachment of the funding*

council and other national agencies, and their audits and other regulations upon our day-to-day life' (Reg. 3).

Accusations of increasingly unnecessary bureaucracy, as the main threat to university autonomy, did not appear so strongly-expressed in the views of post-1992 university interviewees as they did say that they thought themselves to be in a situation where there was autonomy, but where the room to exercise it was constrained. A dean of quality assurance expressed his view that,

> *In terms of course and syllabus we do have complete freedom. I mean nobody tells us what courses or assessment or contents of courses should be. There is autonomy there. But there are still some constraints, like funding, student numbers, HEQC audits, and QAA subject reviews. When you put those together, your room for action actually is very limited. You always feel: you are free to do what you like, but the constraints operating on you by them are very heavy. (Dean 1)*

Nevertheless, post-1992 university interviewees showed more acceptance of what was arguably reality, and more 'sympathy' towards government actions, than their pre-1992 counterparts. One post-1992 university secretary, for example, thought that '*the main challenge to university autonomy is all this inadequate funding. If the government determines to restrict public support, there is nothing we can do about it. Equally, there is a strong feeling that it is not necessary for the government to control university autonomy*'(Sec. 1). Another post-1992 university secretary even put himself in the government's shoes, and said,

> *I think that the government would like the universities to educate as many students as possible for less cost. That is nothing to do with autonomy... I don't think the government has made an attempt to control what we teach, but there is a wish to control our cost-effectiveness... So I don't think that attacks university autonomy. The government just wants lower tax and to increase the benefit of higher education to the people. (Sec. 2)*

One interesting finding was different interpretations of the same example given by

different interviewees in different universities, or by the same person adopting different viewpoints. Regarding the closure of Russian departments during the '80s, a planning and secretariat manager at a pre-1992 university, argued that the funding council tried to close down some departments, '*but the universities can still decide themselves whether they want to keep them or not*'. But, in the opinion of Professor Taylor, vice-chancellor of the University of Buckingham, the funding council had a way, albeit an informal one, to make universities close such departments. The former said that it was '*institutional autonomy in practice*'; but the other observed that universities were '*victims*' in reality. It must be acknowledged, too, that sometimes differences might not necessarily be capable of substantiation in reality, but be, rather, interpretations, dependent on interviewees' particular circumstances and/or perspectives. A post-1992 university secretary felt able to give a reminder of this, in dealing with differences in views relative to the practice of university autonomy by taking himself as an example,

> *I used to be academic registrar in XX Polytechnic. So I was doing academic administration. If I had been as secretary in that Polytechnic, I would have been very conscious of the lack of autonomy because the LEA run the pay roll, payments, and had very tight control. (Sec. 2)*

In Taiwan

The issue of university autonomy had been long discussed in other countries as part of university tradition and itself reflected university history, but it has just begun to be discussed in Taiwan. According to a general secretary (Sec. 5) of a private university, the development of university autonomy was another 'by-product' of the transformation occurring in the whole economic, political and social context, and of the advent of an open and democratic society. Another account, given by a dean (Dean 3) of the planning office of a private university, claimed that the government initially did not have any intention of 'granting' universities proper autonomy, but was forced to release certain control to universities with the advent of a mass system of higher education. This was because the Ministry of Education (MOE), which had had capability to run the system when it had relatively few students and institutions, did not have the capacity to '*manage over 100 higher education institutions*' (Dean 3).

No matter whether university autonomy was derived from context changes as a 'by-

product', or was 'an accident', how did interviewees view university autonomy in practice? First of all, university autonomy was not taken to be in an absolute term, but was seen as meaning something that was being exercised within laws, boundaries, or certain frameworks. It was, too, considered a necessity for the realisation of academic freedom. For example, one national university president defined university autonomy as '*a university governs itself within the laws, and exercises its freedom against every aspect of external inappropriate powers which may threaten academic life, whatever power comes from the government or the society*' (Pres. 2). The importance of university autonomy was also recognised by another university president (Pres. 1). But for his university being a newly-established institution, university autonomy was something too ideal because '*We think that our viability and survival is much more important than talking about university autonomy*' (Pres. 1).

Second, interesting responses were received when interviewees were asked their views about the importance of university autonomy towards university development in Taiwan. First, instead of articulating how important it would be to university development, the interviewees (for example, Pres. 1, Pres. 2, Dean 2, and Sect. 3), commonly, raised a serious issue of what kind of university deserves autonomy. Second, several interviewees (for example, Pres. 1, Pres. 5, and MP) tended to believe that society creates its universities in its own image. Unfortunately, university autonomy was not deeply rooted in this society, and the public was not mature enough to value university autonomy. Thus, two aspects of interviewees' concerns and worries were noticeable. Internally, lack of capacity for self-discipline and self-reflection in the academic community, may make universities miss an opportunity to claim self-government. Externally, whether university autonomy can be enhanced, or not, very much depends upon the good will of the government and of society more generally. These responses revealed the story which was behind this so-called 'new era for university' after the enforcement of the revision of the University Act in 1994.

In order to prove that chaotic circumstances in campuses derived from a lack of the capacity for self-discipline in the academic community, the practices of two ideas were often taken as examples by university interviewees in Taiwan. They were - academic self-government (represented by the practice of peer-review in academic hiring and promotion, and of professorial rule); and, democratic governance (represented by the

operation of the University Assembly, and presidential and other elections).

On the former, a dean of general affairs (Dean 2) at a national university, insisted that before a university was granted autonomy, it should have shown its capacity for self-discipline. He gave his view, after having witnessed the academic community's 'sloppy' attitudes in using the newly-granted power in academic hiring and promotion. '*Once professional autonomy is abused*', the external power would '*take this chance to interfere with university management*', he (Dean 2) warned. Another general secretary (Sec. 3) at a national institution was also critical of the fact that power was abused in the academic community, and even worse, there appeared to be '*divisions and sects*' fighting for personal interests among academics. Both interviewees confirmed their stance that they supported that the power of appointment and promotion of academic staff should be included within the scope of university autonomy. Both said that the present mechanism - a three-tiered system of review committees - was also reasonably set up, but was spoiled by the academic community itself.

Arguments were presented, regarding the practice of the idea of professorial rule. Its feasibility was severely challenged since the idea had arguably been mis-presented by its proponents, and indeed mis-interpreted on campus, and had turned the university into a place in which academics had been fighting for their own interests and power, rather than a place in which academic excellence was being pursued. Several university presidents (Pres. 1, Pres. 2, Pres. 4 and Pres. 5) questioned its purpose, though they expressed views, albeit with two conditions, supportive of the idea. First, the faculty members should be mature and responsible, and second, the scope of professorial rule should be kept to their areas of expertise, teaching and research, and their disciplines, rather than them being able to interfere with university administration. However, some faculty members, in the view of a university president, had proved critical to others, but generous to themselves. For example, a national university president (Pres. 2) pointed out that certain academics now liked to write to the newspaper to criticise their colleagues or the government policy. He also observed that '*some criticisms were entirely off-target, and merely reflected their personal preference and hatred*', and wondered, '*Would such an irresponsible academic concern himself about the development of a university*? (Pres. 2)'. Moreover, the practice of professorial rule was '*against the principles of management*', as a private university president commented,

If using this system merely on the academic matters, I will not oppose it. But if trying to administer all the matters of a university, I will definitively oppose it. Collegial and collective decisions will turn out to be the situation in which no one is responsible. It will leave universities in trouble. (Pres. 4)

The evidence that there had been negative impacts of all sorts of elections of president, department heads and college deans, and the radical call for campus democracy (the practice of University Assembly), undermined higher education as a place of being self-critical and self-reflection, is overwhelming. Most interviewees (Pres. 2, Pres. 3, and Sect. 3) at the national universities expressed their disappointment that elections, taking place in academic institutions, had proved like those 'dirty and nasty' elections, taking place outside the university, the winner grasping the chance to take revenge on their opponents after election.

Regarding the practice of the University Assembly (also see Chapter 3), university presidents questioned its being nothing more than a 'superficial democracy', standing in the way of the operation and development of a university, while the member of the Assembly seemed there to defend their own interests. One president recalled,

A year ago, we wanted to promote an international liaison with universities abroad, and submitted the plan to our Assembly. The plan got rejected since some representatives from the administrative staff and technicians in the Assembly demanded that the university should improve their working conditions first, and take it as a priority, instead of promoting such an international link. (Pres. 1)

Ironically, the main threat to university autonomy now came, said some interviewees, from 'internal members' of universities, instead of the MOE. According to the observation of a university president, *'internal members' distortion of the meaning of autonomy and democracy gradually forms a big threat'* to university autonomy and also has brought *'negative impacts on campus'* (Pres. 1). Another university president (Pres. 2) even believed that such a chaotic practice of university autonomy would bring 'disaster' to a society rather than giving any benefits to that society, if the faculty members and other university members persistently failed to demonstrate their capacity

for self-discipline.

Is the MOE interference with university affairs coming to an end, even though, as one university president suggested, it may no longer be singled out as 'a big threat' to university autonomy? Criticisms of the practice of the University Assembly were not strong in private universities, where the governing boards had greater authority in dealing with the development of the university. However, interestingly, the MOE was identified by most interviewees as a trouble-maker, issuing memos requiring universities to submit – arguably to no useful end – all key university affairs, including curriculum design, to the Assembly for approval. This requirement provoked fierce arguments within universities.

Curriculum design within individual universities has been confirmed as an 'internal' affair since the Interpretation No. 380 of the Council of Grand Justice was made, in 1995. However, according to the observations of interviewees, the MOE interfered with those procedures which universities should have had at their disposal in dealing with this task. One national university president (Pres. 2) thought that it was very ridiculous to ask a 'large-but-functionless' University Assembly to review and approve curriculum design for a whole university, and questioned the purpose of the MOE in continuously interfering with universities' "internal" affairs. In one vice-president's opinion, the MOE did not trust its universities, and so it tried to manage, if not control, everything. He suggested that before the MOE talking about the relaxation of regulation on higher education, '*a trusting relationship between the university and the government should have been established*', and that was '*the starting point of the practice of university autonomy in Taiwan*' (VP1).

Apart from memos, the MOE also issued so-called 'common prescriptions', restricting university actions, after its pledge to 'relax' unnecessary legal and administrative bonds. The MOE's failure to be consistent was challenged by a dean of the planning and development office at a private university, who recalled,

> *In minutes of meeting regarding extension courses, universities were given discretion to set the fees for extension courses. When we submitted the whole plan of extension courses to the MOE, we were told that the fees we set were too high.*

Another matter also quite upsets me - the education officers in the MOE tried to fix their ideas on us, during the consultation process. Much worse, sometimes we felt cheated by them, when we found that what we had suggested during the meeting was different from what was shown latter in the minutes. (Dean 6)

Given that academic autonomy was legally ensured for universities and despite their encountering problems in practice, in general private universities' staff expressed more optimistic views than did their national counterparts. The interviewees from private universities expressed more hope of being on a trend towards greater autonomy. One private university president argued that autonomy would be rewarding for '*those universities which have made efforts to develop their own characteristics and identities*' (Pres. 5). A dean of the planning office at a private university expressed confidence that, if the government wanted to relax 'inappropriate' ties, especially the financial bonds, then private universities would perform better than their national counterparts. He also suggested, from his perspective within an effective planning office, that certain planning power be released from the MOE to individual universities.

...to be honest, as far as the MOE control in the past is concerned, the Planning Office was like a redundant unit because there was no room for a university to plan before the enforcement of the revised University Act in 1994. Since 1994, private universities like Yuan-ze, and Chung-yuan, and national universities, like Cheng-kung and Chiao-tung, have begun to pay attention to thinking about university missions and directions. Universities have started to plan for themselves. (Dean 3)

The recent changes in the government-university relationship were welcomed by private university interviewees. For example, a private university president (Pres. 5) observed that '*universities now are more autonomous than the past*' because '*we have a more benign interaction with the MOE*', and '*we have the way to express our views and to influence, if not change, the MOE's decisions*', though several areas of university affairs were still under restriction, such as salary scale, and number of staff. Nevertheless, the call for an end of government's inappropriate and unnecessary personnel and financial restrictions on universities was evident in the views of many interviewees. One general secretary at a private university indicated,

I am sure that it is a right direction for the MOE to go in, to loosen its grips on universities. But up to the present, ironically, we still find that the MOE controls too much. For example, we want to advance our teaching, and want to appoint more teaching staff, but all academic qualifications and number are prescribed in regulations of the MOE. (Sect. 6)

Regarding financial matters, there were many examples of control. One of them was given by a private university president, who recalled the following situation to show how suspicious the government was about financial management in the private universities,

Several years ago, there was a big plot of private land, just next to this campus. The owner of the land initially wanted to endow my university with this land. But we made a deal about how to deal with this endowment which might benefit each other. The owner planed to endow a large sum of money to my university, and then my university used this endowment to buy his land. But finally this deal was dropped, because the MOE said to us that 'you should have consulted with us before you made a deal with that land-owner.' (Pres. 5)

Indeed, the call for an end of government's inappropriate and unnecessary personnel and financial restrictions on universities was an outward expression of the call for a trusting relationship, between the university and the government (and the society). A private university president (Pres. 5) identified that the most difficult part of the practice of university autonomy in Taiwan as getting true confidence from the public. This was an important strand to interviewees' views on university autonomy in practice. Sometimes, government regulation and related laws became a secondary factor constraining universities' action. But social conventions, full of 'forces of conservatism', were identified as one of key reasons to why university autonomy was difficult to be institutionalised. Thus, several interviewees wondered whether, even if a dramatic relaxation of statutes and regulation regarding higher education really happened, as the government pledged, it would make the practice of university autonomy different. One strongly-argued view was that politicians and the public in Taiwan had difficulty in not seeking to develop a university system fitting their own

needs, and could not allow the system to develop in a way that met academic purposes, and be critical of government and society. What characteristics do politicians and people have, in this society? One of the interviewees, an MP on an Education Select Committee, expressed sadness in the fact of those politicians and groups within the public, who could distort moral and value systems, even facts, just for their personal interests. He recalled,

> *I am an MP of Hau-lien County, where the local people make a living by planting 'Bin-lan', one kind of economic plant, which causes soil-retention problems, and the fruits of which are recognised as a potential risk factor for mouth cancer. The Department of Health made a TV ad to educate people not to take it any more. To defend their own vested interests, the local people went to my service office and asked me to lead them to the Department of Health, to protest against such an ad. Being a doctor, can I make a compromise with my professional consciousness for my political career? They got rejected by me, but gained support from other local MPs. (MP)*

Under such circumstances, he argued that all the efforts in relaxing higher education laws or enacting laws to protect university autonomy, would be a trivial measure to the macro problems faced by universities.

Comparison between England and Taiwan

Interview results on university autonomy in practice, showed a more dramatic contrast between staff views in England and Taiwan, than had the questionnaire results. The general picture drawn from the interview indicates that university staff in England, whether in pre-1992 or post-1992 universities, felt that universities remained autonomous, as shown in the questionnaire results. But certain differences in views between staff of pre-1992 and those of post-1992 were detected. However, the general picture drawn from the interviews indicates that university staff in Taiwan, particularly in national universities, did not show much confidence in recent changes in university autonomy, contrary to questionnaire results. Most interviewees expressed the concerns and worries of the academic community lacking the capacity for self-discipline, rather than one showing appreciation of recent developments in university autonomy. An exception was that some of the interviewees from private universities still expressed

optimistic views about the developmental trend in government deregulation.

There were three aspects of main differences in university staff's view regarding university autonomy in practice between England and Taiwan. First of all is regarding the backgrounds against which university autonomy had been brought forward as an issue. Several interviewees in England thought that this was associated with the contraction in government resources, and government anxiety towards university quality and standards after its expansion. This context contrasts with that in Taiwan, where university autonomy was seen, first, as a 'by-product' of the process of transformation of society from an authoritarian towards an open one, and, second, as a consequence of the advent of a mass higher education system, since the MOE was not able to manage and control over 100 higher education institutions. Furthermore, one interviewee in England thought that university matters were not a priority for government or society, and that university autonomy mattered only to the academic community. By contrast, several interviewees in Taiwan indicated that Taiwanese society and government were much involved in trying to create the university system in their own likeness, and that this process constrained universities, strongly though implicitly rather than explicitly.

Second, the restrictions imposed on universities in both countries are different in nature. Several interviewees in England noted that universities had undoubtedly been legally autonomous, but had chosen not to exercise those powers, such as borrowing money, taking more home undergraduates and charging top-up fees, and the like, not because they lacked the powers, but because they received government funds. Unlike in England, restrictions imposed on universities in Taiwan were unrelated to whether universities received public funding, or not. On the other hand, universities were not granted certain powers, regarding personnel and financial matters, by the government.

The third difference is in the views about the main threats or challenges to university autonomy. In England, several interviewees from pre-1992 universities recognised that increasing and unnecessary bureaucratic arrangements and requirements had a major impact on universities' action and freedom to act, and these reflected that there was a lack of trust, in government, relative to universities. Post-1992 university staff were not as concerned, regarding these bureaucratic arrangements as their pre-1992 university

staff, but the financial situation did not give them a chance to do something different from what the national bodies required. Interestingly, none of the interviewees in England were worried about the academic community, or identified internal members as the main threat to university autonomy, as interviewees in Taiwan did. Reviewing university autonomy in practice, the interviewees in Taiwan showed concerns and worries about the lack of capacity for self-discipline of university members, and had fears that universities might miss an opportunity to prove their capacity for self-government to the government and the society at large. Private university interviewees held a more optimistic view than their national counterparts, but were still depressed about the rigidity of government regulation on personnel and financial matters.

8.3 The Relationship between University Autonomy and Funding

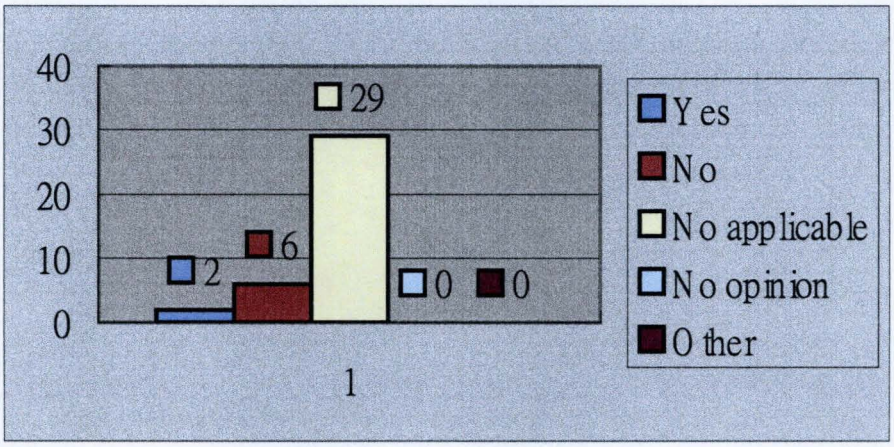
This section aims to draw together the empirical results regarding the following three aspects: first, identifying areas of affairs, in which university respondents in both countries thought that they had the possibility of reducing external control by raising their income; second, examining whether universities of different financial type (see Table 5.2) have enjoyed a different degree of university's decision-making power; and, third, presenting views of the relationship between university autonomy and funding, held by university staff. The first and second aspects are presented in 8.3.1, and the third in 8.3.2.

8.3.1 The Possibility of Reducing External Control by Raising University's Income

As shown in Figure 8.11, in a majority of areas of university affairs (29 out of 37; 78 per cent), respondents from universities in England thought autonomy to have nothing to do with whether or not universities could raise their own income. In six areas of affairs, they thought that they had no possibility of reducing external control, even though they might raise their own income. These areas involve affairs such as determining number of UK undergraduates, setting degree standards and criteria, determining direction of specific research projects, setting undergraduate tuition fees, determining salary scale of academics and salary of individual academic staff. There were two areas - determining number of postgraduates and setting broad research

control by raising their income. These results also applied to pre-1992 and post-1992 universities. No differences in views regarding those key areas of affairs, on which universities might have the possibility of reducing external control by raising their income, were found, between pre-1992 and post-1992 university respondents. The respondent universities were re-grouped, according to financial types in Table 5.2. The results from a non-parameter test (K-means) did not suggest any significant difference in the degree of university's decision-making power between these five groups of universities.

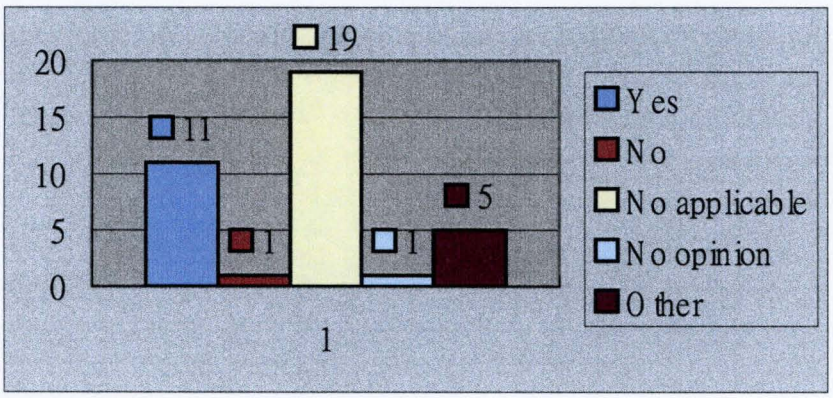
Figure 8.11 The Possibility of Reducing External Control by Raising University's Own Income, in England



As shown in Figure 8.12, for over half areas of affairs (19 out of 37; 51 per cent), respondents from universities in Taiwan thought autonomy to have nothing to do with whether universities could raise their own income or not. There was one area - determining number of undergraduates, in which universities thought that they had no possibility of reducing external control, even though they raised their own income. Nevertheless, in eleven areas, respondents from universities thought that they had some possibility of reducing external control by raising their own income. These involve areas such as determining number of postgraduates, setting broad research priorities and direction of specific research projects, drawing up annual budgets, allocating internal budgets, setting level of undergraduate tuition fees, borrowing money from capital market, determining price of commercial teaching and price of research projects, setting annual income generation targets, and establishing/ merging/ discontinuing departments/

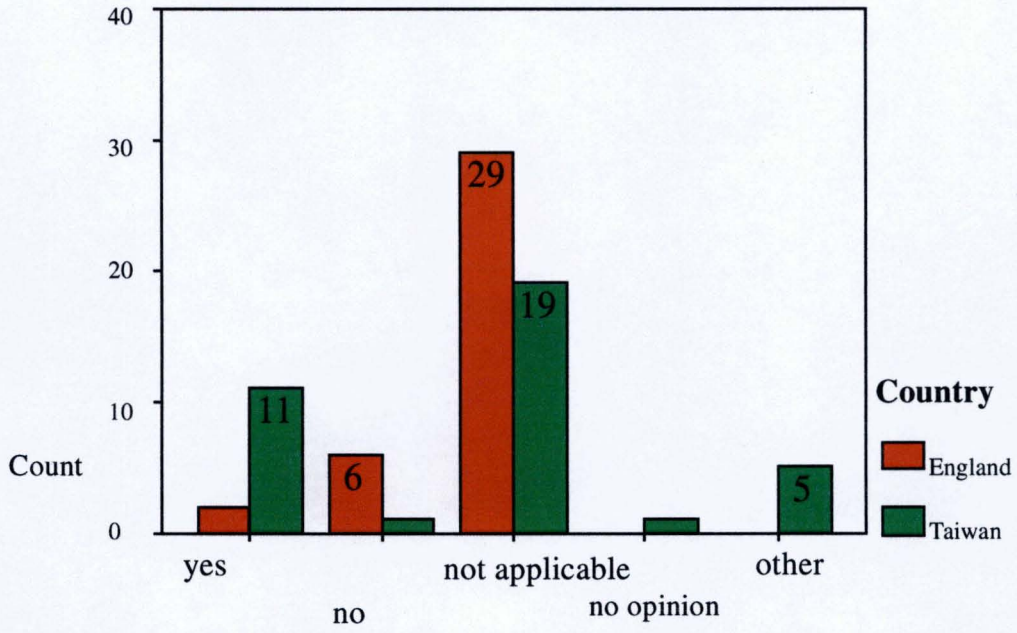
faculties. These results also applied to national and private universities. No differences were found in views regarding key areas of affairs, in which universities might have the possibility of reducing external control by raising their own income, as between national and private university respondents.

Figure 8.12 The Possibility of Reducing External Control by Raising University's Own Income, in Taiwan



Significant differences between England and Taiwan, in the proportion of key areas of affairs, in which university respondents thought that they had the possibility of reducing external control by raising their income, were found (Pearson chi-square .001; d.f. 4; see Figure 8.13). The proportion was higher in Taiwan than in England (a 24 per cent difference). However, the proportion of university affairs in which university respondents in both countries thought that they had the possibility of reducing external control by raising their own income, represented a small proportion of the 37 key areas of university affairs. There is one similarity, that is, two areas – determining number of postgraduates and setting broad research priority, in which universities in both countries had the possibility of reducing external control by raising their own income.

Figure 8.13 The Possibility of Reducing External Control by Raising University's Own Income between England and Taiwan



8.3.2 Views of the Relationship between University Autonomy and Funding, Held by University Staff

The analysis of the interview results was arranged under the following main aspects. First, reasons were sought to explain the questionnaire results which suggest that university respondents did not think they had the possibility of reducing external control by raising their income in most areas of university affairs. Second, how funding, and related issues, may or may not enhance university autonomy, were examined.

In England

As with the questionnaire results, the views of both pre-1992 and post-1992 university interviewees tended to agree that universities did not have many possibilities of reducing external control by raising their income. However, the arguments used were different. They included, first, the fact that in several areas of university affairs, matters

had been decided by universities; second, some areas, such as changing the contents of programmes, were clearly nothing to do with how much income universities could raise; and, third, some of them, such as taking additional UK undergraduates beyond the 'approved' number, were under external regulation. One argument, given by a pre-1992 university registrar, was unique, because his university so far had achieved as best funding pattern it could; and, thus, he wondered whether there was a possibility of his university increasing autonomy by making further changes in its present funding pattern. He said,

> *The present pattern of funding shows that 30% of our income comes from the HEFCE, which is quite low in the UK, 14% from the research councils, and 39% of income from our investments... We also have large private endowments. (Reg. 1)*

Several interviewees suggested that, if the questions of the interview had been couched in terms of universities having 'huge endowments' or 'free money', rather than 'raising university income', then the answers would have been more positive, and if not reducing external control, then at least they could do many other things. In a sense, as one college principal of the University of London considered, such funding could enhance autonomy since autonomy was that universities were '*able to achieve more things and more independent actions*' (VC1). However, free money is very rare. Most interviewees recongised that all sorts of funding, no matter whether government or non-government funding, came with some sorts of constraints or demands on universities. For example, a pre-1992 university registrar observed,

> *There are very few organisations or people who just hand over money and say: 'get on with it.' They all want something in return: it might be, their name on the building; it might be, their right to be consulted about the nature of work; it might be, they want to have intellectual property rights, or to impose conditions on the sorts of people you recruit. (Reg. 1)*

Given the above, two lines of arguments were sustained. Some interviewees still argued that attracting non-government funding would enhance university autonomy, and reported their institutions' efforts to make themselves less dependent on government funding. The lines of argument can be described as passive and active. On the first,

university staff realised that government funding would not increase to any significant extent, and that they would have to '*find other sources of income*' (Reg. 2). On the second, positive side, staff acknowledged that establishing the government as 'a minority shareholder' was vital to the development of a university. One registrar (Reg. 3) even believed that '*until we generate even more private income, we will not be able to break out of our present situation to reaffirm our proper autonomy...(and) gain the opportunities to rebalance the effects of government*'. He analysed the present situation, thus,

> ...the (funding) council becomes more and more like a government department, and merely passes down the expectations of government to universities. The government can always say: 'Autonomy is all very well, but you receive public money. We've got to make sure how public money is spent; therefore, we have these controls.' So, back to the simple statement: so far we are reliant on the state, we won't be able to redefine our relationship with the state. (Reg. 3)

However, some interviewees argued that attracting non-government funding would not necessarily bring about greater autonomy, or even worse – would constrain university autonomy. As a planning and secretariat manager of a pre-1992 university argued,

> *...raising funds privately might actually reduce university autonomy. You could gain large amounts of money from industry on the condition that the research findings are exclusive to that company, and you could not publish freely in the international academic community, and so on... One can imagine some circumstances where you really have to tie the hands of the university to get the funding, and thus lose autonomy. (Manager)*

Even if universities had free money, sometimes it would only represent a small portion of the university income. Thus, a post-1992 university interviewee identified the difficulty in generating a substantial sum of free money, and argued that being reliant on government funding was, and continued to be, an inevitable phenomenon among universities in England, except for the University of Buckingham. Moreover, given that no funding was free from constraint or control on universities, more positive views of government funding were expressed by several interviewees, particularly those from

post-1992 universities. One general secretary at a post-1992 university (Sec. 2) argued that no matter who funded universities, the interference by government was less than that experienced when funding came from industry. On the other hand, government funding offered financial security which allowed universities to plan ahead, when compared to funding from industry and overseas student fee. A dean of quality assurance at a post-1992 university compared different funding sources, and said,

> *...if you are dependent on funding from industry, something which can come-and-go at very short notice, you are always fighting to get the next lot of income. So that does not offer you long-term safety... So, I wouldn't say that if you have a good proportion of income from industry, that means you have more autonomy than other institutions. But, if you have a lot of income from trusts or foundations, then they might give you a much more secure basis to operate... Comparatively speaking, the HEFCE grants offers guarantees for the university to plan ahead because the university knows the student numbers which it will get for next year, and knows how much income there is. (Dean 1)*

While no funders are going to hand over significant amounts of money without attaching very firm conditions, one post-1992 university interviewee (Reg. 4) offered an interesting speculation regarding universities' efforts in diversifying their funding bases. He described,

> *It is interesting to speculate the situation where the universities may try to free themselves from governmental control by looking elsewhere for funding. I am sure that any funding comes with the same sort of demands and constraints as the governmental funding does. (Reg. 4)*

Thus, as Professor Taylor, vice-chancellor at the University of Buckingham, argued, universities which were trying their best to diversify their funding bases or to generate non-government funding, just gained more autonomy from the government, but no universities were '*completely autonomous from the market*'. He noted,

> *Looking into our income sources: overseas students fees, research contracts, donations, certain business, all the way to get the income to protect our autonomy*

from the State. But it doesn't increase our autonomy from the market forces. For example, the Malaysian economy collapses, 20% of overseas students come from Malay and they may stop coming. The university is not autonomous from the Malaysian economic forces. (VC 2)

Perceptions regarding relationships between university autonomy and funding in England vary between universities and between individuals. While university staff recognised that no funding is free, except that from endowments and their own property investments, some defended government funding, which, they believed, carries less interference than does other funding. Others, however, recognised that their universities should diversify their funding bases, and try to be less reliant on government funding. Interestingly, the former argument was supported by, relatively, more interviewees from post-1992 universities than from pre-1992 universities (4 to 1). By contrast, the latter was supported by, relatively, more interviewees from pre-1992 universities than those from their post-1992 counterparts (5 to 1).

In Taiwan

In general, the picture drawn from the interviews indicates that university staff in Taiwan did not hold positive views regarding the relationship between university autonomy and funding. Several interviewees at the private universities argued that given such a government-university relationship, in which onerous laws and regulation dominated, what concerned private university staff most, was whether they could have greater discretion to deploy and invest their own resources, rather than worrying about seeking alternative funds or diversifying funding bases. In a tone suggesting that private institutions had been treated unfairly, a dean of the planning office at a private university questioned why private universities did not have as much government financial support as their national counterparts, but their development was as restricted as that of the latter. He was depressed about the present situation,

... laws and government regulation restrict the way we manage our property and saving. The money, we've earned cannot go in the investment market, cannot purchase any estate, except those for university-purpose estates, cannot set up any company to sell our services, and so on. The money is only allowed to be used for buying national funds or for being put on deposit in the bank. (Dean 3)

Several interviewees at the private universities also offered examples to demonstrate that some of the problems their universities encountered were nothing to do with resources, but were associated with government policy and restriction. The following example was given by a university president, who recalled,

> *When we established this institution, we had adequate resources to make it a comprehensive university. We were not allowed to do that, because at that time the MOE's higher education policy merely permitted private bodies to establish science and technology institutes, which were thought to make a direct contribution to economic growth. Hence, we started the name of XX Institute of Technology. Upgrading from Institute to University now is completely associated with the changes in government policies and their attitude, nothing to do with resources. (Pres. 4)*

The MOE and government regulation and laws were singled out as 'primary factors hindering' the development of a private university. One general secretary at a newly-established private university, described how financially sound his university was, and condemned the MOE, government regulation and laws, for getting in the way of the development of his university, whose aspiration was to establish a research university, '*rather than to add one more common university in this island (Taiwan), which has been crowded with over 100 institutions*' (Sec. 6). Thus, a private university president suggested that the government should have flexible policy in dealing with university funding. In his own words,

> *I think for a university which lacks resources, the government needs to supply it. But for a university which has affluent resources, the government should give it more freedom to use its money. Don't let a university, which has resources, feel so constrained. (Pres. 5)*

The picture, drawn from the views of the interviewees at the national universities, indicated that national university staff began to experience the restrictions, mentioned above, that private universities had experienced over the past decades, in using their earned income after the implementation of the scheme of University Development

Foundation Fund (UDFF) in 1995. Before 1995, national universities were completely financed by government funding, which was line-itemised earmarked budgeting. (see Chapter 5) Compared to the previous system, the UDFF scheme had made national universities begin to be active in generating income, for example by fund-raising, offering training courses, and research contracts, and '*paying attention to their financial management*', one dean of the planning office (Dean 3) said. Naturally, national university staff were expecting that the UDFF scheme would lead to more financial autonomy, and then would help universities realise their autonomy granted by the revised University Act and Interpretation NO. 380 of the Council of Grand Justice. One vice-president also recalled that the motivation for his university choosing to participate in this scheme had been to gain '*more room for us to plan and develop*' (VP1), before this scheme became compulsory.

After experiencing such heavy regulation and laws in restricting how universities spent their earned funds, national university staff now believed that, even though universities had a capacity to generate their own income from elsewhere, to lower the level of dependence upon government funding, universities' efforts would not change anything fundamental in relation to university autonomy. After the emergence of problems which were associated with the government's attempts to control universities by regulation and laws, it seemed impossible to gain so-called 'discretionary money', which was identified as a real help to the development of a university, by a university president, who said,

> *The implementation of new scheme makes university funding diversified; however, universities feel so restrained in using their earned money since heavy regulation are still in place. I wonder how many benefits a university can get from this? Thus, a real help for a university to develop will depend on how much discretionary money it has, instead of how diversified its funding is. (Pres. 1)*

Context, West or East, was found to be one element in explaining the relationship between university autonomy and funding. The views of interviewees in Taiwan suggest that a positive relationship between university autonomy and funding was empirically evident in the West, where universities were given freedom, but was having difficulty in emerging in the East, as in Taiwan, where universities were set to achieve

national policy. For example, a national university president observed,

> *...some differences exist between West and East. For a university in the West may have this possibility of reducing the external influence by raising its own income. But for a university in the East, one of the purposes of a university should serve its society and a country. Hence, the decisions on many aspects of university affairs are often subject to the national policy and society's expectation. (Pres. 3)*

One general secretary at a private university also noted,

> *...I think this situation (universities having resources, but without freedom to develop themselves) is not allowed to exist in universities in the western countries. This is also the difference between the eastern and western thinking. Under the eastern thinking, the authorities try to control everything. But under the western thinking giving the universities freedom to develop is customary. (Sec. 6)*

This element of context may echo the results, presented in 8.2, regarding university autonomy in practice in Taiwan. At this stage, it was found that the realisation of university autonomy, in Taiwan, depends more upon the good will of government, than on how well universities can generate their own income from the government or from non-government sources.

Comparison between England and Taiwan

There are two main differences in the views of university staff in England and in Taiwan regarding the relationship between funding and university autonomy. The first difference involves the consideration of the nature of sources of funding and its implication for university autonomy. The second difference involves an element of 'context', where government-university relationship and university autonomy involved more than a financial tie. This was more manifest in Taiwan than in England.

In England, university staff thought that they had the possibility of having so-called 'free money'. Though the latter was rare, the universities could use them to achieve the things they wanted to do and to gain more independence of action, which might not

necessarily lead to reducing external control. Some university staff also believed that government funding was less interfering than other sources of funding, as funders always wanted something from universities in return. However, university staff in Taiwan were depressed about the situation, where government interference was too heavy, no matter whether universities obtained funding from government or private sources. Under heavy government regulation and laws, universities had little possibility of gaining such 'free money', because universities were not given much discretion and flexibility in using funding, even including their earned money.

The contrasts between England and Taiwan can be seen in the matter of how universities use their own resources to appoint extra staff. For example, a college principal of the University of London, confidently expressed the view that '*if we did have more free money..., we would be able to employ more postgraduate research fellows*' to support research and to get a better grade in the RAE. One of the interviewees, the dean of general affairs at a national university in Taiwan, was willing to talk about his recent research project on the feasibility of hiring extra staff through the implementation of the UDFF scheme. The research finding indicated the difficulty of doing so, because personnel policy in Taiwan had been prescribed in laws and regulations, for example via a fixed salary scale, fixed academic and non-academic ratios, and prescribing educational qualifications for faculty hiring. Paradoxically, private universities also needed to follow most of the personnel laws in the same way as their national counterparts did. The example here demonstrates that while a matter was associated with whether universities had resources (free money) in England, it was associated with whether universities had discretion in hiring extra staff, even though they had already had resources, in Taiwan.

Although the interview results in England did not confirm the argument that the more funding universities can get, the greater autonomy they will have, they showed that universities still had the possibility of gaining more independence of action in deploying and using their own resources to achieve their goals. By contrast, the interview results in Taiwan showed little possibility of universities doing something different from that which the government required them to do, even though universities had their own resources. The difference was attributed to an element of context, whereby the nature of government-university relationship was more vital than the matter of resources, in the

view of the interviewees in Taiwan. Several of the latter argued that universities in the West were trusted by their government, even though they were funded by government, but that universities in the East were heavily regulated by their government, even though they were not funded by government. This finding, possibly of some interest, will be discussed in the next chapter.

8.4 Views Regarding Usefulness and Applicability of the Concept of 'Contractual Autonomy'

There was a contrast result in 8.2. On the one hand, respondents from universities in England thought that they could decide for themselves in a majority (92 per cent) of areas of university affairs, and those in Taiwan, similarly, thought that they could decide for themselves in nearly half (43 per cent) of areas of university affairs. On the other, the results showed that the proportion of key areas of affairs, on which universities in both countries thought to be under certain degree of external regulation was high. It was fifty-four per cent of areas of university affairs in England, and ninety-seven per cent of them in Taiwan. These results suggested that there was no absolute autonomy. Universities exercised their decision-making powers within a framework set by certain written and formal external regulations, though universities in England were in a better position than those in Taiwan, where heavy regulation and legislation were more evident. This latter point is made clear in 8.2 and 8.3.

Regarding the usefulness and applicability of the concept of 'Contractual Autonomy', there were mixed responses. Some interviewees felt that the notion was interesting and useful, but some had doubts about certain parts of definition. Different suggestions were made about this study, and were summarised in three main points.

The first point concerned the words 'contractual' or 'contract'. Most interviewees in both countries argued that there was no absolute university autonomy, and believed that universities were operating within 'boundaries' or 'frameworks' (rather than being sure about the usage of 'contracts'). 'Contract' gave an impression of something which must be written, formal, time-fixed, and legally-binding, though it had been noted in the interview schedule definition that 'contracts' existed in 'explicit and formal or implicit and informal form'. One English interviewee commented on the definition and said,

'*Not a bad definition, provided you really do mean the term of contract which includes the informal contracts as well*'(Reg. 2). Another English interviewee felt interested in the definition, proposed in this study, and said,

> *I think the contract does exist. In some cases it is very closely defined, such as the financial memorandum. In other cases, it is more loosely defined...Apart from that, you use the interesting phrase 'social contract'... I think the university is related not just to the students, but to the employers and local communities, and so on. All these stand by social contracts. This university is committed to deliver higher education across the peninsula; so in the sense we have the social contract with the people living in the southwest region who will benefit from higher education. (Reg. 4)*

One Taiwanese interviewee (Dean 3) did not favour this term, Chinese-translated from 'contractual autonomy', since he argued that the first impression of this word 'contract' in Chinese '*must be written in words*'. However, another interviewee in Taiwan saw it in a broad sense, and believed,

> *...a university is "contractual" within some boundaries. For example, we have a commitment to our governing board, accountable to the MOE, and responsible to our society. All these may be expressed both in the explicit and implicit forms. So contractual autonomy can be recognised in the operation of a university in Taiwan. (Pres. 5)*

One of the Taiwanese interviewees indicated one interesting but important point to prove that, sometimes, 'unwritten' contracts were substantial in constraining universities' ability to make decisions, by giving the following example of a situation which his institute had encountered,

> *After we were upgraded to university status, we were forced to keep a 5-year junior college programme, due to strong pressures from parents who were planning to send their children to my college after their graduation from junior high school. We did not have any formal contracts with those parents, but we made a compromise. (Sec. 4)*

Interestingly, 'contracts' involved those social norms, prescriptions and expectations of the society, which were thought by interviewees to be another factor constraining universities to function properly, and be 'what universities should be'. This point was also particularly emphaisised among Taiwanese interviewees (for example, Pres. 2, Pres. 3, Pres. 4, VP1 and Sec. 4).

The second general point made by interviewees about 'Contractual Autonomy' involved questioning the existence of 'negotiation' while the two parties (universities and external agencies) were not equal, and the latter were powerful. Several English interviewees took their relationships with the funding council or research councils as examples. The relationships were undoubtedly contractual, but normally the contracts were in standard form, and would not entail any negotiation. For example, one interviewee stressed,

> *In English contract law, we have so-called 'standard form contract', which is basically taking all the legal situation where the major part for agencies say, 'These are the terms. You can't negotiate.' Likewise, you can't go along to a gas company which will not negotiate with the customers because it is one powerful party. Now here we've got a situation where the university and the funding council are not equal. The funding council is so powerful, and you can't have negotiations..., so it is more like a standard form contract.... The terms of contract are largely non-negotiable, meaning that the funding council imposes the terms of contract. (Sec. 1)*

'*"Contractual autonomy" is a very useful notion*', said a dean of quality assurance at one post-1992 university. However, he had doubts about whether universities are in a strong position to delineate their boundaries with government. In fact, universities stood in '*a very fragile position*' and '*are quite vulnerable to changes in the legal context*'. He said,

> *...for example, the debate going on at the moment about the QAA external quality assurance. I don't think this will happen, but it is quite possible for the government to say: 'the QAA makes a new proposal for external quality assurance*

arrangement from 2001. We don't like what the institutions are doing; we will require them to do the following.' The government could do that; it is within its power. There is a sense that if the universities did not do things which the government likes, then there will always be a possibility that the government will step in and make change. (Dean 1)

For the case in Taiwan, most interviewees also doubted that there were opportunities for universities to negotiate and bargain with the government and their society, given that heavy government regulation and complex laws were dominant in conditioning their decision-making. Several interviewees also expressed their disappointment and claimed that instead of negotiation and bargaining, universities in Taiwan tended to 'make a compromise' with external actors in their environment.

With regard to external agencies, there was one point mentioned only by English interviewees. The latter indicated the increasing importance of the relationship between universities and students, and questioned the fact that 'external agencies' in the interview schedule definition seemed to exclude students. The point was made that, in England, now that home students pay more, then the relationship between universities and students has changed. One university secretary (Sec. 1) said that students now could always say to the universities, '*We pay more; therefore, we are customers.*' As a consequence, one interesting phenomenon - students going to court to sue their universities - was going to become more common, and as another university secretary (Sec. 2) predicted, possibly prevalent. The latter interviewee (Sec. 2) also used this example to indicate that challenges to university autonomy might not be necessarily derived from government's attempt to achieve change, but from changes in conventions. He continued,

...it is not unusual now for the students who fail the exam, try to appeal internally and rush off to court and say, 'I have being cheated by the university. I should get a high degree.' This is getting more common...in the UK... The law hasn't changed in that respect, but the convention is changing because the world is getting complicated, not like the place we used to be. You could imagine that 30 years ago if a student tried to get a judicial review about the school examination,

everyone would look at that student and think that he might be crazy. (Sec. 2)

The third general point concerned the question, which several interviewees raised, of just how accurate the description of the reality in the definition was. The researcher, in effect, posited: 'after the contracts being set, the university exercise its autonomy within the contracts to self-govern its affairs.' One pre-1992 university registrar gave practical examples to demonstrate how constraining of autonomy it would be, to operate under a lot of contracts and their sub-contracts, and, at the same time, how interfering might external agencies be, in controlling how universities delivered those contracts. Given that, one question, that is, whether university still had any autonomy at all, immediately posed itself. He commented,

> *...in practice contractual autonomy would be a more constrained notion than it might appear. With just one contract between the funding council and the university for provision of general teaching, research and service, you may have contractual autonomy in the broad sense. But we've got a whole stream of little contracts and conditions, which individually constrain our autonomy. Secondly.. the funding council and the QAA start to control how we operate... On the one hand we got the funding council saying: 'you must bring each year 500 scientific students to graduation'; but on the other hand we got the QAA saying: 'you must do it in the following explicit processes'. (Reg. 3)*

The views of one national university president (Pres. 1) in Taiwan also echoed the accounts above. He questioned whether there was a free space left for universities to practise self-government, within all sorts of 'contracts', set up by a very interventionist government and an interfering context which did not trust universities' capacity to govern themselves. If the answer was 'no' or 'little', then universities were in a contractual position, but might not be in an autonomous position.

It was understandable that universities should question how much room was left for them to exercise their autonomy. However, constructive views were also given. For example, one pre-1992 registrar argued that if universities,

> *...can create other means, they will earn greater autonomy through greater*

financial freedom. It is up to them to earn their contractual autonomy. No one will give it to them. If you want to get back the feeling of the autonomy we had in the '60s, we have to go out to earn the money to do it. (Reg. 3)

This argument may not be completely accepted by other interviewees, particularly those in Taiwan, who tended to argue that autonomy, which could be enhanced, much depended on the good will of the government. Nevertheless, several interviewees in Taiwan did reflect that now was the time for universities to prove, to the government and the society in general, that they had the capacity for self-discipline and self-government. But if universities did not do so now, '*they would lose more in the future, and the good will of the government would never come*', as a dean in a national university (Dean 2) warned.

Chapter 9

Discussion and Conclusion

This chapter aims to bring the main findings together, and interpret them in conjunction with theoretical explorations regarding university autonomy and its relationship with funding. Thus, the chapter has two aims. They are, first, to examine both how far the research questions of this study have been answered, and how far the arguments of the thesis have been supported; and, second, to draw conclusions from this study, and to put forward implications for further study.

The following main findings will be presented and reviewed. First, those findings regarding the practice of university autonomy in both countries, suggest that there are some inconsistencies between the questionnaire results and the interview results, and, between them both and some evidence in the literature. Second, the findings also cast doubt on the view that more funding, government or non-government, would bring about greater autonomy. Third, the findings regarding the applicability and usefulness of the concept of 'Contractual Autonomy' suggest a need for further thought.

9.1 The Practice of University Autonomy in England and in Taiwan

Understanding of the practice of university autonomy is, the researcher would argue, clearly extended by the empirical findings of this study. Before entering into investigations of differences between, or indeed inconsistencies in, the findings, and investigations of differences between the findings of this study and some others in the literature, it would be useful to summarise the empirical findings, and this is done below.

The quantitative findings indicate that staff in the universities in England, whether pre-1992 or post-1992, thought that English universities remain in an autonomous state, except in a few areas, such as determining the number of home undergraduates, undergraduate tuition fees, and, the salary scale of academic staff. They also revealed that staff in the universities in Taiwan, whether national or private, thought that Taiwanese universities have been granted greater decision-making powers in the

academic area and the area of appointment of academic staff. The results suggest that universities in England still have a greater proportion of key areas of university affairs which they could decide for themselves and less areas under external regulation, than those in Taiwan, even though they show that autonomy in Taiwan has increased in a majority key areas of university affairs.

The quantitative results are enhanced by qualitative explorations, which reveal intrinsic differences in the practice of university autonomy between England and Taiwan, in the following three areas. First is the background against which university autonomy is considered to be an issue. Second, the restrictions imposed on universities, in the two countries, are different in nature. The third difference lies in the views about the main threats or challenges to university autonomy, held by interviewees. Also, the qualitative explorations detect subtle differences between pre-1992 and post-1992 universities in the case of England. It must also be said that there appear to be certain inconsistencies between the qualitative explorations and certain quantitative findings.

In England, the most noticeable difference was that the views of pre-1992 university interviewees tended to be philosophic and idealistic about the practice of university autonomy, but those of post-1992 ones tended to be pragmatic about it. In the views of the latter, differences in the degree of university autonomy were not necessarily related to university origin, but more related to institution's financial situation. The second difference was in views regarding the main challenges to university autonomy in practice. While increases in arguably-unnecessary bureaucratic procedures were identified as the main threat to university autonomy by interviewees of the pre-1992 universities, those of the post-1992 universities showed acceptance of the reality, by arguing that government actions were nothing to do with university autonomy. Some, however, did recognise themselves to be in a situation, where there was autonomy, but where the room to exercise it was constrained.

In Taiwan, the reality of the practice of university autonomy was more pessimistic in its manifestations in qualitative findings, than in quantitative ones. This was more evident in national universities than in their private counterparts. Staff of the former noted that if lack of capacity for self-discipline and self-reflection among their members continues, universities might miss their opportunity to claim self-government. However,

interviewees in universities, national and private, tended to believe that whether university autonomy could be enhanced, or not, very much depended upon the good will of the government and society in general.

Reflecting on the main findings, there are two significant issues which should be noted. First, while certain inconsistencies are found between quantitative and qualitative findings in both countries, it would be unwise to interpret them simply as data inconsistency. On the contrary, they give rise to certain insights into the study of, and the practice of, university autonomy itself. Second, in order to build a bridge, some inconsistencies between the empirical findings of this study and certain arguments in the literature, need to be addressed. The latter concern the sense of loss of university autonomy of pre-1992 universities (for example, Griffith, 1990; Millar, 1992; Russell, 1993; Eustace, 1994), the sense of gain of university autonomy of post-1992 universities (for example, Becher and Kogan, 1992), and the implication of the advent of mass higher education for university autonomy (for example, Premfors, 1980; Halsey, 1992; Scott, 1995).

9.1.1 Inconsistencies between Quantitative and Qualitative Findings

In England, while few quantitative differences are found between pre-1992 and post-1992 universities, except in the perception of change in university autonomy over the past ten years, there are some qualitative contrasts between them, in the views of the nature of, and the main challenge to, university autonomy. These contrasts between pre-1992 and post-1992 universities should not be overemphasised, since it was not possible to include all English universities, and their senior staff in this investigation. However, these contrasts are important because they have two implications.

First, it is recognised that, while university autonomy is a multi-dimensional concept, there is an inevitable distance between the measurement of university decision-making powers as one dimension of practice of university autonomy, and the qualitative exploration of the exercise of these powers. In other words, both the aspects of having powers, and of having the room to exercise them, should be studied in understanding the practice of university autonomy. While the quantitative findings suggest that pre-1992 and post-1992 universities have more or less similar 'decision-making powers', it would prove problematic if these findings were directly interpreted as pre-1992 and

post-1992 universities having more or less similar 'autonomy' in practice. This is because certain qualitative contrasts between them, were detected. While such a – problematic - interpretation has been made, in the existing literature, in this study the researcher has striven not to tread in their footsteps! This is the issue that invites more reflections upon the results derived from those studies (for example, Jadot, 1981; McDaniel, 1996) which interpret universities' decision-making powers as the whole extent of university autonomy. Instead, the results, obtained from the measurement of decision-making powers which universities have in practice, can only be treated as part – not the whole – of an expression of the practice of university autonomy. The results cannot justify any claim that the extent of decision-making powers is 'autonomy itself'. The warning, given by Jadot (1981), that it is not sufficient to seek to understand university autonomy by merely examining their legal framework, since there exists a considerable gap between legal and effective autonomy, is important. However, such a gap may also exist in different measurements of effective autonomy, too. Therefore, even though this is in part an empirical study, the results from different approaches do, the researcher would argue, enhance understanding of the practice of university autonomy.

Second, the researcher notes that interviewees' interpretations of their perceptions concerning the practice of university autonomy are inevitably linked to their past experiences and personal current positions. Comparatively speaking, the 'burden' of bureaucratic procedures for pre-1992 university interviewees are 'increasing', but this may not be thought to be the case by post-1992 interviewees, for two reasons. First, for the latter groups, the present accountability requirements of national agencies are mild (Brennan and Shah, 1994), if they are compared with the past contexts in which they operated. Second, the findings show continuity of different attitudes towards government actions as between pre-1992 and post-1992 universities (former polytechnics). In respect of government policy during the 1980s, as Williams (1995b) observes, 'there began a period of considerable hostility between universities and government', but the polytechnics' and colleges' response was 'more in line with the aspirations of government' (p. 14). Moreover, the views of an interviewee who is a registrar may be different from that of a university secretary or a planning manager. There is not a single explanation. Perceptions are paramount. The research findings of this study support the belief of some academics, like Murphree (1977) and Caston

(1992), that there is no absolute university autonomy, but relative autonomy. However, while Caston argues that relative autonomy exists in 'a process of continuous bargaining between university and its society', the findings of this study, to some extent, support the researcher in claiming that relative autonomy also exists as a construct of people's perceptions of such a process.

In the case of Taiwan, while both quantitative and qualitative findings show few differences between national and private universities, quantitative findings contrast with qualitative ones. While, quantitatively, 'positive' results are obtained, for example, suggesting that university autonomy has increased in many aspects of university affairs, the qualitative findings include the views of some staff who have reservation on this, or even believe the opposite. For example, the interview data concerning the practice of university autonomy are full of 'concerns and worries more than appreciation'. Regarding these sharp contrasts, it would be inappropriate to put them in the bed of Procrustes and try to shrink quantitative findings or stretch qualitative ones, in order to make results consistent. In this case, on the contrary, the positive quantitative perspective of the practice of university autonomy cannot deny the validity of the rather pessimistic qualitative dimension of it, or vice versa, since both of them are evident in reality.

Indeed, quantitative findings suggest that the universities in Taiwan have been granted certain decision-making powers. The results are also consistent with the existing literature. With the changing government-university relationships since 1994, and comparison with the past, it is reasonable to have positive results, such as university autonomy having increased. However, disappointing phenomenon occurring, and failures in practising those newly granted powers on campus, tend to mask the promising perspective of university autonomy. Thus, the researcher has rather pessimistic qualitative findings.

The first implication for the case of England, above, is also applicable to the case of Taiwan. However, the existence of these sharp contrasts supports the researcher in claiming that, not only is there a distance between university decision-making powers as measured 'in action', so to speak, and the qualitative exploration of the implementations of these powers, but also that the distance may be large, as the case of Taiwan suggests.

While a quantitative approach has its own strength, in offering an overall picture of university autonomy, it cannot escape its limitations in terms of the difficulty which it has in detecting subtle but profound differences in each case. This is particularly true in Taiwan, where the practice of university autonomy involves other, complicating, factors, which are not evident to a quantitative investigation.

What is fundamental and central to the above discussions is the concept of university autonomy itself. As autonomy should be 'contextually and politically defined' (Neave, 1988a), neither quantitative nor qualitative approaches can be claimed to be comprehensive, but their findings do, when taken together, enhance the understanding of the practice of university autonomy. Likewise, the discussions in 9.1.2 also provide some significant insights into the practice of university autonomy, by building a bridge between these empirical findings and the findings in the earlier literature.

9.1.2 Building a Bridge between Empirical Findings and Literature

In England, there are two aspects of the inconsistencies between empirical findings of this study and literature, which deserve discussion. The first aspect is that, inconsistently with the findings in the literature (for example, Griffith, 1990; Millar, 1992; Russell, 1993; Eustace, 1994), the empirical findings of this study suggest little sense of loss, or erosion, of university autonomy, in pre-1992 universities. It is not the purpose, here, to deny the validity of academics' claim. Instead, such an inconsistency reminds the researcher of an important point, that is, the sense of loss may not necessary involve a real loss in the given powers that the survey mainly measured. These results strengthen the observation of the researcher, made in Chapter 4, after reviewing of Farrant's conclusion (1987), that even though the powers of the university remain intact, the room for the university to exercise those powers had become limited, and external pressures had become harder to ignore. The sense of loss of university autonomy can be manifested in a subtle way, such as the perception of changing government-university relationships, discussed in Chapter 6. However, if this is the case, one question immediately arises, that is, why do the findings of this study not suggest any regrets, about changes in the practice of university autonomy, among the respondents from pre-1992 universities?

There might be two reasons for the absence of such regrets. The first reason considers the timing of this empirical study. It was conducted in the first half of 1998, when changes in the context to higher education were not so dramatic as those occurring during the 1980s and the early 1990s. During the latter period, the impacts of new funding and quality assurance mechanisms, seem to have hit the morale of pre-1992 universities hard, and, spontaneously, these new impacts were interpreted as a signal of 'the end of autonomy' (Brennan and Shah, 1994). However, it is suggested that the passage of time gradually makes such a forcefully disappointing interpretation fade away. University staff seem to have accepted the new reality, and to have come to perceive the earlier changes as constructive, perhaps paving the way for an easier acceptance of the later changes of which staff were aware when responding to the questions of this study. This suggestion can be established by one empirical study which looked inwards, and the findings, too, of this study, regarding external context. In the study of Bargh and her colleague, on changes in the culture of university governance, some evidence that 'the appeal of corporate models seem to have been qualified by the old academic culture' (p. 172) was provided. In this study, for example, a pre-1992 registrar emphasised that 'if we want to get back the feeling of the autonomy we had in the '60s, we have to go out to earn the money to do it'.

The second reason might be, it should be admitted, a lack of inclusion of 'genuine' academics (without administrative responsibilities) in the interviews. It appears true that individual academics tend to be more critical about government actions and the changes in university autonomy than university managerial teams, to which most of the respondents of this study belonged. However, academics' views may not necessarily stay pessimistic about changes in government-university relationships and in university autonomy. In the literature, certain examples can be found. Tapper and Salter, in 1992, asked whether 'the time has come to abandon the notion that universities, including Oxford and Cambridge, are really autonomous' (p. 63). Latter, in 1995, they argued that in recent years autonomy in British universities has not 'disappeared, but 'has been reformulated', and they argued, particularly, that the abolition of the tenure system gave universities greater institutional autonomy in the employment of their staff, and in related matters.

In contrast to the story evident in pre-1992 universities, the second aspect of inconsistency is that the empirical findings of this study do not suggest much sense of gain of university autonomy in post-1992 universities. There might be two reasons to explain this. First is a suspicion that the scale of the sense of gain in autonomy of post-1992 universities has not been properly measured. Research on autonomy of higher education public sector was scarce. Their autonomy was assumed to be restricted because this sector was financially controlled by the LEAs and academically monitored by the CNAA. Thus, after their incorporation in 1988 and becoming universities in 1992, people assumed that they gained autonomy financially and academically. In fact, the findings of this study support the latter assumption, that their autonomy has increased in certain areas, including those relating to the awarding of degrees, determining broad research priorities, appointment of vice-chancellor, drawing up annual budgets, and allocation budgets within university.

However, one aspect, which has been neglected, is that public sector higher education had an autonomous side, while the aspect of its tight control (Becher and Kogan, 1992) was always emphasised in the literature. Scott's observation (1995) and the findings of this study support this. Scott (1995) observes that, although former polytechnics were state institutions, they often enjoyed 'considerable autonomy, in terms of governance and academic affairs'. Corresponding to the observation of Scott, the findings of this study reveal that the polytechnics remained autonomous, during the 1980s, in certain areas such as setting examinations and student assessments, establishing/merging/discontinuing departments/faculties/group studies, and determining internal administrative structures.

The other reason is related to the financial situation the post-1992 universities face. Their gains in autonomy were neutralised by financial stringency. Although this is not particularly emphasised in the literature, it is clear in the findings of this research. In the views of several post-1992 university interviewees, they found themselves in a situation where they do not have many opportunities to argue for something different from that which national agencies require them to follow, being as they are, very dependent upon government funds.

Interestingly, if the researcher accepts that the present financial situation conditions how post-1992 universities exercise their autonomy, and arguably makes them pragmatic and realistic about university autonomy, the question then arises of whether it could be argued that pre-1992 universities tend to be philosophic and idealistic about university autonomy, because they occupy a more healthy financial situation.

Noting increasing external demands over universities, certain authors, like Jadot (1981), Caglar (1993), and Kerr (1995), tend to claim that the degree of autonomy depends, not only upon how much room for self-government is left to a university, but also upon how much ability a university has to fulfil its missions. Although the researcher does not have direct empirical evidence to prove that pre-1992 universities have more ability to fulfil their mission than their post-1992 counterparts, it cannot be denied that pre-1992 universities have had more opportunities and privileges than post-1992 ones to accumulate their 'academic capital', in the words of Slaughter and Leslie (1997), before increasing government intervention came into the university system. 'Peace makes people soften', the words of the film of "Anna and the King", can be used to describe financially and academically better-off positions which have made pre-1992 universities feel 'no immediate threat' and 'soften', becoming more philosophic and idealistic about university autonomy in practice.

It is a different story, however, for the post-1992 universities, which were not lucky enough to have had the 30-year long 'golden age', in the words of Williams (1995b, p. 3), generously financed by government and with less control, of their pre-1992 counterparts. Now they also have to cope with diverse requirements from national agencies. These situations might make them pragmatic and realistic about university autonomy in practice, with the thought of institutional viability constantly in mind. Finally, it should be noted that such contrasts in views of university autonomy may not necessarily be seen only as between pre-1992 and post-1992 universities, but they may also occur between institutions within given groups. As Scott (1995) argues, within their respective groups, it is a misunderstanding to assume that universities are 'essentially homogeneous' (p. 43). In 5.3.1, for example, the funding pattern of several pre-1992 universities shows their degree of dependence upon government funding similar to that of their post-1992 counterparts.

From the accounts above, it can be seen that the nature of differences in university autonomy between pre-1992 and post-1992 university has been changing, since the latter gained the title of university and degree-awarding power, as a result of the 1992 Act. In the past, the difference involved differences in legal power, but now this may not be a distinction which needs to be made or at least emphasised, because, after 1992, the differences in autonomy of pre-1992 and post-1992 universities seem blurred, theoretically and empirically, in terms of universities' power. However, differences can be seen in the scope which universities, no matter whether pre-1992 or post-1992, have, to exercise their power. Thus, measurement of the room the pre-1992 and post-1992 universities have to exercise their legal power, will come close to being a measurement of the reality of the practice of university autonomy.

In Taiwan, however, the inconsistencies between the findings of this study and literature do not show as sharply and manifestly as in England. This is primarily because, as mentioned in Chapter 4, of the lack, in Taiwan, of literature regarding the idea and practice of university autonomy. Even though there are some studies (e.g. Lee, 1995; Daun, 1997), they concentrate on the examination of what powers universities have been legally granted. On the other hand, in practice, university autonomy has been actively exercised only after the second half of the 1990s. Nevertheless, several findings are worth discussing.

The first issue to address is the question of why the researcher was urged during the interviews to pay attention to what kind of university deserves autonomy. What does the emergence of this issue imply after university autonomy had gained its legal protection by the University Act in 1994? This may be related to the timing of the empirical research, which occurred at a time when university senior staff were frustrated with chaotic consequences of having practised autonomy on campus. If this empirical research had been done earlier, say, during the period 1994 and 1995, when the changes in university autonomy and the government-university relationship had just begun, then their positive effects would have reasonably been anticipated by universities, and quite possibly the results would have been very different from those which the researcher found. However, after having experienced certain difficulties and encountered negative events in the process of practising university autonomy, university staff had come to realise that more things should have been done in order to ensure that university

autonomy, or power, can be 'properly' exercised and used. The findings remind the researcher, again, that research on university autonomy should note that there is a considerable gap between legal and effective autonomy.

The second finding concerns the difference in what is seen as the main threat to university autonomy as between national and private universities. The staff from the former emphasised lack of the capacity for self-discipline of internal members, as a possible key threat to university autonomy, to a higher degree than did staff of private universities. The staff from the latter, by contrast, lay blame on the MOE and government detailed regulations. This finding can be illuminated by observation of the difference in governance culture between national and private universities in Taiwan, set out in Chapter 3. After central government control starts to step back, the mixed models (bureaucratic, political and collegial) of governance become apparent, but with different impacts in national universities and private ones. For example, the political model and the collegial model, which are widely exercised at the disciplinary and institutional level in national universities, are less influential in private universities, where the latter have their own boards of trustees, and stronger managerial teams for achieving effective and efficient deployment of resources. Given such circumstances, national universities are more vulnerable to dangers and conflicts caused by competing and contradictory interests among academics, as reflected in their views of the practice of university autonomy, than are their private counterparts. As they had seen the dangers and conflicts involved, the advocacy of stronger self-discipline and self-restraint by national university interviewees echoes Russell (1993) and Kerr (1995) warning that any lack in university's self-scrutiny and self-restraint may risk the return of external scrutiny or greater external restraints.

As far as private universities are concerned, the scale of stepping down of the government is still limited, at least not great as the universities had originally anticipated. While they still feel that the MOE or government regulations stand in the way of their development, it is impossible for them not to lay blame on the government. However, is this the whole picture? Behind the scene of detailed legislation and regulation, the lack of trust on the part of government towards the way in which private universities run their business, is evident. The issue of trust in government-university relationships has been elaborated by academics, such as Russell (1993) and Trow

(1996). There always exists a reminder that 'trust is a two-way process', and that universities have their own central contributions to make to that trust, which must include keeping up their standards of teaching and scholarship (Russell, 1993, p. 100), and showing their capacity properly to manage their finances. However, on the side of government, there is also a reminder from Trow (1996), who indicates that, ironically, 'the more severe and detailed are accountability obligations, the less can they reveal the underlying realities for which the universities are being held accountable' (p. 313). During the interviews in Taiwan, the researcher was told of a case in which a private university 'successfully' beat its peer competitors, and obtained a very large MOE subsidies, only, later, to be revealed as a cheat. Manipulation of staff figures and production of a fake report were revealed. This case reflects the reality that, when higher authorities have accountability policies, the lower ones will come up with 'strategies' to play the game. The issue of trust and accountability is easy to discuss, but the balance between them is hard to locate.

The empirical findings of this study do, in some measure, extend the understanding of the practice of university autonomy. The empirical differences between England and Taiwan strengthen the comparative analysis which was made in the preceding chapters. Two issues raised earlier, call for further discussion. First, the advent of a mass system of higher education is considered as one of the background, context, factors to the emergence of university autonomy as an issue in both England and Taiwan, but its effects on university autonomy show themselves differently in the two cases. In England, particularly in the pre-1992 university, autonomy is reported as being constrained by the advent of the mass system, but in Taiwan, it is reported as being enlarged by it. In the interviews, government actions were being taken in England, reflecting government anxiety on university quality and standards after the system expansion, and comprising more elaborate control mechanisms. The question of university autonomy is raised. However, in Taiwan, interview data indicate that university autonomy was given with the advent of a mass system, simply because the MOE was no longer able to manage and control higher education institutions, now over 100 in number, as it had done before. This contrast is important because it suggests that the advent of a mass higher education system has different implications for university autonomy, and, more interestingly, because it illustrates two sides of arguments which are articulated among academics.

Halsey (1992) argues that autonomy for institutions, freedom for individuals and financial independence, have been undermined by government actions in the drive towards expansion (p. 270). Scott (1995) argues that elite systems, historically, enjoy a high degree of autonomy, while mass systems, inevitably, attract political attention and interference. No doubt the accounts given by Halsey and Scott fit the experience of British higher education. However, they may not explain the experience in Taiwan, where universities, no matter in an elite or a mass system, usually encounter political attention and interference. The empirical evidence from Taiwan lends some support to the observation of Premfors (1980), that the exploding growth of higher education systems forces measures of decentralisation in relatively centralised systems since systems become progressively unmanageable if day-by-day authority continues to rest with the central agency. This is more evident in private universities than in their national counterparts, since the former have been given greater discretion to use their own resources such as the investment in the market, and other financial areas, since 1999. Establishment of private universities in the near future will be a matter of registration, which will replace the current policy, of detailed review in line with national economic planning, and of formal approval from the MOE.

Second, the differences between England and Taiwan in the nature of restrictions imposed on universities in exercising their autonomy also deserve discussion and exploration of its implications regarding the relationship between university autonomy and funding. The room for universities in Taiwan to exercise their legal powers is reported as being restricted by detailed legislation and regulations which had nothing to do with, at least at the stage in question, whether they receive government funding. Such restrictions reinforce what interview data revealed earlier – whether the practice of university autonomy can be enhanced depends to a great degree upon the good will of government.

However, the room for universities in England to exercise their legal powers has changed, though one factor that became evident earlier in the twentieth century – being recipients of government funding – still remains important today. Previously the scope for the exercise of autonomy was enhanced by government funds, but now it is restricted when they choose to receive government funding which, more and more, links

funding to performance. The existence of the University of Buckingham is a reminder for other universities of a dilemma between receiving public funding and maintaining autonomy from the government. This restriction is also observed by many academics' warning against universities' heavy dependence upon government funding. However, this study does not have any intention to conclude that being a recipient of government funding absolutely becomes the 'Achilles' heel' of university autonomy in England. While this may be the case for some universities, others still need government funding to strengthen their institutional viability, and the rest of 'Achilles' body'! These views in the next section are supported, particularly by post-1992 university interviewees.

Through comparing the difference in the nature of restriction, is it appropriate to draw a temporary conclusion that, while funding has a chance to help universities in England to enhance their autonomy in practice, it has little possibility, at least not now, to do the same to universities in Taiwan? Indeed, the discussions in 9.2 not only offer reflections upon this conclusion, but also present other unexpected results which strengthen the arguments of this thesis.

9.2 Doubts regarding Relationships between Funding and University Autonomy

The questionnaire findings show that respondents in both countries, but particularly in England, thought, on the majority of aspects of autonomy, that autonomy had nothing to do with whether universities raise their own income or not. However, fundamental differences were found in the interviews. Although the results of interviews in England did not directly confirm the argument that the more funding universities can get, the greater autonomy they will have, they revealed that universities still had a possibility of doing what they wanted to do, and engage in more independent actions, if they had 'free-money'. By contrast, the interview results in Taiwan revealed little possibility of having so-called 'free money' under the heavy regulations and laws in place, and of doing something different from that which government required them to do, even though they had their own resources. The interviewees in Taiwan thought that the positive link – more funding, greater autonomy - could be expected in the West, where governments trust their universities, rather than in the East, where governments are accustomed to close control of their universities.

The evidence of this research on the relationship between university autonomy and funding indicates that funding, whether government or non-government, is never by itself the creator of greater autonomy, but that its degree of influence on university autonomy, depends on: 1) its magnitude and criticality for institutional viability, 2) conditions attached to it, and 3) relations between government and university. These conditions appear, with different weights, in England and in Taiwan. While the first two conditions appeared predominant in England, the last condition is highly visible in Taiwan. From the accounts above, two issues require further development: 1) the amount of funding, and 2) the legal and administrative position.

9.2.1 The Amount of Funding

Although the empirical findings do not give any strong ground to deny the possibility, they do suggest a doubt, that more funding, whether government or non-government, brings about greater autonomy. Quantitatively, in respect of a majority of key areas of university affairs, respondents from universities in both countries thought that they did not have the possibility of reducing external control by raising their own income. The interview data, in 8.3.2, offered several insights to explain this, such as the belief, by staff, that some areas of university affairs are simply not at all related to how much income universities can raise. They also suggest that if the questionnaire question had been based on a premise that universities had 'huge endowments' or 'free money', rather than on universities having to 'raise university income', then the answer would have been more positive, to the effect, if not that universities could even reduce external control, then at least to the effect that universities could do many other things.

Academics have argued that institutional autonomy is enhanced or protected through diversifying university funding bases (for example, Archer, 1984; Caglar, 1993; Goedegeburre, *et al.*, 1994), and that the third-stream sources of funding represent true financial diversification and provide institutions with discretionary money (Clark, 1998). However, the empirical findings of this study lend some support to the arguments in Chapter 5, stressing a need for more reflection before any acceptance is made, of such arguments.

Likewise, among academics, there is no consensus on the effect of alternative sources of funding or non-government funding on the operation of institutions. For example, if the observation of Slaughter and Leslie (1997) that alternative sources of funding 'often carry stipulations' is true, how can the third-stream sources of funding, as Clark (1998) argues, provide institutions with 'discretionary' money? Perhaps, the observation of Scott (1995), that 'the nature and purpose of non-state funding have not been properly analysed' (p. 88), may partly explain these divergent views. In fact, the arguments of Slaughter and Leslie, or of Clark, are clearly not matters to be declared, dogmatically, 'right' or 'wrong', but invite further debates and challenges. The results in this thesis challenge them, in two ways.

First, the results of this study show that university interviewees in England recognise that all sorts of funding, government or non-government funding, come with some sorts of constraints or demands on universities. Some interviewees, particularly from pre-1992 universities, argue that universities should attract more non-government funding in order to achieve more and be able to undertake more independent actions, even if their autonomy is not enhanced. However, some interviewees, particularly from post-1992 ones, defend government funding by arguing that, in fact, it represents less interference than funding from industry and overseas student fees, and offers financial security which allows universities to plan ahead. The results suggest that such a standard interpretation – the more government funding, the less autonomy universities have, or, the more non-government funding, the greater autonomy universities have - may not be necessarily reliable. Government and non-government funds seem to have equal chances of being, or not, so-called 'free money', enlarging universities' areas of discretion.

Second, given that nearly all funding comes with demands and constraints of some sort, it is an interesting phenomenon to hypothesise a situation in which universities try to free themselves from governmental control by looking elsewhere for funding. Paradoxically, by doing so, they may enter into another realm of external control. Such a hypothesis, if supported by evidence, would lend some support to the arguments of Levy (1994) that 'autonomy from the state does not mean autonomy from all external control' (p. 254). The market was identified as one of these controls during the interview.

In Chapter 5, the funding patterns in universities in England are suggested to be more diverse than those in Taiwan. Now, the empirical results also suggest that the proportion of key areas of affairs on which universities can decide for themselves, is higher in England than in Taiwan. Bringing these two together, it seems reasonable to suggest that there is an association - the more diversified the funding of universities, the greater autonomy which they have. However, this is not the purpose of this study to promote such a link, particularly after clarifying the relationship between university autonomy and funding by considering the nature of funding as one of being bound by conditions. On the contrary, the case of Taiwan is a counter-example, which suggests that even where university funding is seemingly diversified, it is by no means clear that this promotes greater university autonomy. A clear example is seen in the case of national universities, which have joined the UDFF scheme, and have started to generate their own income from a number of sources, and diversify their funding bases. As a consequence, the implementation of the UDFF only made national university staff realise that universities' efforts in diversifying funding would not change anything fundamental in relation to autonomy. These expressions in Taiwan lead logically to the next theme.

9.2.2 The Importance of Context: The Legal and Administrative Position

The interview results in Taiwan reveal the difficult experiences that private universities have encountered, and national universities have started to encounter, in using their earned income, given that usage of the latter has been prescribed in regulation and legislation. In addition to drawing attention to these difficulties, several interviewees in Taiwan stressed that, in their opinion, universities in the West are trusted by their governments, even though they are funded by governments, but that universities in the East are heavily regulated by their governments, even though they are not funded by governments. Thus, it is believed that more funding bringing about greater university autonomy has been more evident in the West than in the East.

It is noteworthy that issues relating to universities' earned income and related interviewees' assumptions, so important in the case of Taiwan, did not appear as key issues in the case of England. This observation becomes a critical point for the researcher to look for something else, besides the amount of funding, which may play a

key role in enhancing understanding of the relationship between university autonomy and funding. With empirical support, this 'something' can be identified as the relationship between government and university. Leaving aside vague points regarding what is the "West" and what is the "East", and how reliable assumptions are, the results in the case of Taiwan reveal part of the context by which understanding of the relationship between university autonomy and funding may be arrived at. Thus, these results in particular have some significant implications for this study as a whole.

First, they reinforce the arguments, made in the previous chapters and in 9.1.2, that whether university autonomy in Taiwan can be enhanced, depends a great deal on government-university relationships, and, at the moment, the latter are more decisive than the matter of resources. In cases like Taiwan, that seems to imply a need for direct de-regulation of financial and personnel control. However, the arguments of Goedegeburre *et al.* (1994) that de-regulation 'does not necessarily lead to increased institutional autonomy' may hold good for the situation which Taiwan may encounter after de-regulation. A relationship of trust, held by government towards universities, is expected to be established in the long run. As Trow (1996) argues, trust is 'the basis of the very large measure of autonomy' of universities, 'which are able to raise substantial sums of private money, or which are funded by governments which voluntarily delegate much of their power over the institutions' (p. 311). Then, based on the trusting relationship, the matter of resource may have some determining role in enhancing institutional autonomy.

Second, the researcher inevitably asks why this missing link – context – has, to a relatively large degree, been ignored in the literature regarding the relationship between university autonomy and funding. Several things may have contributed to this absence of debate. First, the arguments regarding the relationship between university autonomy and funding have been less seriously backed up with empirical tests, and are notoriously simplified in the application of the payer-piper theory, or the principal-agent problem, as discussed in Chapter 5. Second, current changes in the funding pattern of universities cause misinterpretation or exaggeration of the effects of funding, particularly non-government funding. The factor of funding always plays the role as a necessary, but not a sufficient, condition, in realising university autonomy. It would have been unconvincing had Clark (1998) taken diversified funding, and certain consequences, as

an indicator of being entrepreneurial, as a basis on which to argue that universities can recover their lost autonomy. Instead, Clark (1998) admits that diversified funding, alone, 'can hardly make a significant difference' (p. 145). It appears as one of Clark's five essential elements which universities should have for their entrepreneurial transformation. Third, the contextual factors contributing to enhancing university autonomy are dynamic, not fixed, so that the assumption of the existence of a direct causal link between funding and university autonomy, becomes questionable. Meanwhile, other possible ways in which universities can be granted greater autonomy - such as by the good will of the government, as Musselin (1996) argues in the case of French higher education, and as the case of Taiwan suggests - are ignored.

Last, but not least, the context has been implicitly indicated by Neave and van Vught (1994, p. 292) in the review of limited freedom to generate income in certain state control systems of higher education. In that review, 'state control systems' equates to what the present study sees as 'context'. This observation justifies the researcher in generating a new hypothesis, that diversifying funding bases, or attracting alternative sources of funding, in the state control systems (or continental model), may not have effects on university autonomy as directly as do those in the state supervising systems (or Anglo-Saxon model). In the latter, a positive link between funding and autonomy, is often treated given. However, in the state control systems, universities have many things to deal with before they can claim such a link. Although the limitations of these two models – state control model and state supervising model, have been discussed in Chapter 6, their value in providing a conceptual and analytical tool cannot be denied.

The justification for a new hypothesis is further strengthened by the subtle analysis of Clark's study - '*Creating Entrepreneurial Universities: Organizational Pathways of Transformation*' (1998), which explores the transformation process of five case-studies – University of Warwick (England), University of Strathclyde (Scotland), University of Twente (The Netherlands), Chalmers University of Technology (Sweden), and University of Joensuu (Finland). In the first two case-studies, where institutions have independent legal status, their efforts in generating third-stream income can have manifestly contributed to enhanced institutional autonomy. The third case-study does not have such an advantage, because state constraints stand in the way; as Clark notes, the provisions of Dutch public law do not allow universities to undertake

entrepreneurial activities. It proves more difficult for the institutions in the last two case-studies to generate their funding as they want, while they remain as public university, as, where the Swedish and Finnish governments provide funding, national rule books govern university operations. Bravely, Chalmers University of Technology left its public status behind, and opted to be a 'foundation university', which in return provides it more space for independent operation. The last case-study, Joensuu, had to propose and obtain 'approval' from the Ministry of Education in Finland to become a pilot institution with 'lump-sum budgetary arrangements' before starting their entrepreneurial transformation.

Generating and using the second and third-streams funding can thus be considered natural to the first two case-studies. However, this is not the case in the last three case-studies, where the universities have to do something explicitly outside their national norms, before they can increase their independence by increasing their income. They have to get around state constraints by opting for independent status, or, obtaining explicit and special government approval. The analysis here is a reminder that the extent of the effect of funding on institutional autonomy, in a given case, is always relative to context of the case.

Finally, it is necessary to deal with the apparent reality, that the matter of context seems not to carry the weight in England that it does in Taiwan. Certain interviewees in England take the view that, at the current stage of their development, having the status of legal corporations, universities are allowed to do every action that is permissible within their legal framework. For example, one pre-1992 university registrar said, 'on staff appointment, this is the area where we have an absolute freedom; and, on finance, we are largely free... we are sufficiently autonomous to make a profit and keep it'. The argument of this study is that the relationship between university autonomy and funding should be interpreted in the context of government-university relationships. The question arises, how is this manifested in England? Two observations may throw some light on this question.

First, the government-university relationship as a condition, always exists, and will always show some effects. However, the effects may not necessarily always be negative or constraining. Government actions, like granting universities independent

legal status and allowing them to generate their own income, have had effects other than constraining. The fairly recent past experience for universities in England, with generous government financial support and with fewer government demands than elsewhere or at other times, proved an enhancing one. For example, the universities in England in the three decades before the 1980s enjoyed, as Russell (1993) observes, a more amicable government-university relationship than they had had for most of their history. Such a circumstance made it possible for universities during that period to 'escape' the inherent contradiction between accepting government funds and maintaining their autonomy, and also to modify the adage to 'he who pays the piper does not insist on calling the tune' (Williams, 1995a, p. 183). It is conceivable that the arguments like 'the higher the proportion of university income that comes from non-government sources, the greater their freedom of action' (UGC, 1984), or 'true institutional autonomy can only be guaranteed by financial autonomy, which requires that the institution is not over-dependent upon any one funder' (Tight, 1992), were not born out by the then experience. Even if they had been put forward during that time, they would have been brushed aside by the universities as being unnecessary warnings - as one Chinese adage puts it, 'Chi Jen Yo Tein'.

Second, the government-university relationship in England can be seen transformed from being implicit towards being explicit, as analysed in Chapters 5 and 6. As many English academics, like Tasker and Packham (1990), Becher and Kogan (1992), Russell (1993) and Scott (1995), observe, the government has become more dominant in defining the government-university relationship, and has imposed more and more elaborate control systems. Thus, the researcher contends that, when examined in some detail, over time, England does not stand as a counter-example against the thesis of this study. Instead, the interviews regarding recent government actions provide some evidence that the context, that is, the government-university relationship, will be increasingly rather than decreasingly influential as a factor in the relationship between university autonomy and funding in England. Furthermore, given recent developments, through the Institute for Learning and Teaching (ILT) in Higher Education, there may be greater explicit government involvement in the setting and/ or validation of qualifications of the people universities will appoint. Maybe through the QAA there will develop some control of the curriculum, as in the QAA's pilot study in History and Chemistry. In a sense, these requirement will limit institutional freedom to appoint

staff, and it will threaten autonomy when universities are told what they should teach. Given such circumstances, perhaps the time has come to question whether it is still helpful for universities to avoid attempted government interference, reduce certain government interventions, through generating alternative sources of funding.

Furthermore, the nature of the government-university relationship reveals itself in the idea of university autonomy. The observation of Lockwood (1987) that the idea of autonomy is 'normally used to refer to the extent of a university's freedom to use public resources in ways in which it thinks best' remains relatively true in certain countries, and England is one of them. Regarding powers, such as that of borrowing money, taking more UK undergraduates and charging top-up fees, and the like, most universities in England chose not to exercise them, because they received government funds, but not because they did not have those powers

However, it is clear that Lockwood's observation is far from fitting the experience of Taiwan, where the idea of university autonomy, that is, the nature of the government-university relationship, lies outside the area of debate on 'the extent of a university's freedom to use public resources in ways in which it thinks best'. Unlike in England, the nature of restrictions imposed on universities in Taiwan was neither a matter of any choice for the universities, nor was it anything to do with whether universities received public funds or not. However, the situation is not fixed for ever. One can foresee that, if the government in Taiwan carries out its pledges to de-regulate the higher education system, and to put more trust in universities, then the weight of the amount of funding on university autonomy may become more evident. However, it must be admitted that both the government's occasional inappropriate involvement in university affairs, and the universities' failures in practising autonomy, reported in this study, militate against the foreseeable situation becoming reality.

At the beginning of this study, it was argued that resource dependence theory can only serve as a partial interpretation of the relationship between resources and autonomy, since it tends to over-emphasise the fact that resource-providers have 'the capacity of exercising great power over' resource-receivers (Pfeffer and Salancik, 1978), or to simplify the relationship as in the phrase 'he who pays the piper calls the tune' (Slaughter and Leslie, 1997). Also, the linear sequence created by resource-dependence

theory is doubtful. However, here, at the end of the study, having discussed the amount of funding and looked for the possible missing element in understanding the relationship between university autonomy and funding, one immediate and critical question should be asked – whether what the researcher has argued is a reprint of resource-dependence theory?

This study does indeed have certain areas of overlap with resource-dependence theory. For example, the attention to the amount of funding corresponds to three major criteria, proposed by Pfeffer and Salancik (1978), in determining the extent of the importance of resources to organisational operation and survival. However, there are several cogent points on the basis of which one can reject the claim that all government-university relationships can be summarised as resource-dependence theory. First, regarding the theory itself, the accounts of Pfeffer and Salancik that while an environment is 'dense with organisations and interest groups with a variety of laws and norms', discretion over resources given to focal organisations is rarely absolute, call the given relationship between resource-provider and resource-receiver into question. They imply that the relationship between resource-provider and resource-receiver is also influenced by 'organisations and interest groups with a variety of laws and norms'. These organisations and interest groups may not be resource-providers, nor may relationships be resources-related. Second, while government may not be a resource-provider to universities, the former can still be a powerful actor in shaping government-university relationships. In the present study, the case of Taiwan is an example. The government can exercise its stick without offering a carrot. Thus, resource-dependence relationships between government and universities indicate a part of the reality of government-university relationships. Third, observed carefully, the effects of resource-dependence relationships can be seen to be built up on the basis of government-to-university relationships, but not vice versa. When government policies and regulations on higher education are relaxing, resource-dependence relationships between government and university may turn out to be a facilitative factor in the realisation of university autonomy.

Thus, the possible links between university autonomy and funding do not occur in a vacuum, but their interaction is dynamic, and influenced, and then shaped, by government-university relationships in a given country. The cases of Taiwan and

England, to different extents, demonstrate why this study argues that the relationship between university autonomy and funding should be interpreted in the context of government-university relationships more generally, and of the context of the idea of university autonomy in that country.

9.3 Further Thoughts on the Concept of 'Contractual Autonomy'

Chapter 4 has presented the rationale for using the idea of 'contractual autonomy' which is derived from the idea of 'university as institution', separate from 'traditional autonomy' which is derived from the idea of 'university as idea'. The discussion in 9.1 suggests that autonomy may prove to be more limited in reality than in the abstract. While universities can claim their traditional autonomy, the autonomy they really exercise may not appear the same. With increasing public demands on universities, the extent of the difference between the two realms cannot be hidden as ever, while the university cannot 'justify itself in terms of the idealist notion of the university...which in essence argues that the university should not be held accountable by any other but itself' (Melody, 1997, p. 75). The changes between two realms which universities may face are more likely to be different from case to case, and dynamic over time, in terms of institutional capabilities and context.

Quantitative data revealed an interesting contrast: universities thought that they had decision-making power on a majority of university affairs, but, meanwhile, they also thought that some of them were under certain degree of external regulation, though universities in England were in a position of having greater autonomy, than those in Taiwan. Qualitatively, there were mixed responses towards the term and definition of 'Contractual Autonomy', in three aspects. First, 'contract' gave an impression of something which must be written, formal, time-fixed, and legally-binding. The second respect involved questioning the existence of 'negotiation' while the two parties (universities and external agencies) were not equal, and the latter were powerful. The third respect concerned the question of whether the reality is, in effect, that 'after the contracts being set, the university exercise its autonomy within the contracts to self-govern its affairs.' Nevertheless, more constructive views were given by several interviewees, who tended to argue that universities were obliged to earn their 'autonomy'. But 'how'? The answers given vary according to the perspective of those

giving the answer.

The summary above provides important insights on the applicability and usefulness of the concept of 'contractual autonomy'. First, the findings provide little evidence to support the argument, made in Chapter 4, that 'contractual relationship' and 'contractual autonomy' have existed as long as universities have existed as institutions. Instead, 'contractual relationship' is identified as a recent development. The findings indicate a recognition, as many scholars (for example, Neave and van Vught, 1991; Berdahl, 1990; Ferris, 1992; and, Scott, 1995) observe, that universities, more and more, have contractual relationships with government and non-government agencies. Apart from this, the case of England highlights the increasing importance of the contractual relationship with students, which has been reinforced in England by the new policy of home students paying tuition fees since 1998. This view is a manifestation of the argument of Neave (1988a) that university autonomy is 'contextually' defined. The changes in the context in which universities in any given country operate have infused themselves into the meaning of university autonomy. Scott (1995) uses an impressive term 'near-exclusive relationship' to describe the relationship universities in England used to have with the funding council, research councils, and LEAs which paid tuition fees on behalf of students, and a single parent ministry, the DES. Now, such 'a near-exclusive relationship' is hard to maintain, and has to include students, local communities, industry, and the markets abroad. Also, Clark (1998) observes that 'when only one young person in 20 sought university training, most people most of time did not think about what the university was doing and what it could do for them... (now) virtually everyone can demand some involvement or relationship (with the university)'. Scott's description and Clark's observation indicate that the contexts in which universities exist, and in which universities should engage with potential opportunities – and indeed contract with people and agencies – are more complicated, and contain more uncertainty, than in the past.

Second, the first impression of the word 'contract', for example, that it must be written or legal-binding, causes more concern among interviewees, although most of them recognise that universities exercise their autonomy within certain boundaries. In fact, legally, written contracts represent only one form of contract. Contracts, legally, includes promises, oral or written. Thus, the first impression among our interviewees

may not be completely accurate in relations to the true nature of contract. It does, however, support the original contention of this study that the word 'contractual' should be used, instead of 'contract'. As Musselin (1996) clarifies, while 'contracts' in the context of this study, do not fulfil legal and economic definitions of contracts which are, for example, to 'be concluded between parties that are free and equal', the contracts of this study are 'in a way more a symbolic contract than a real one' (p. 12). However, such a symbolic contract, or an unwritten one, can, sometimes, have as substantial a power as a real, in affecting the behaviour of a university, as the case of Taiwan exemplifies.

Third, when the resulting 'agreements' are thick with detailed sub-contracts, rather than involve a single Rousseauesque contract, in the words of Scott (1995), the question of how constrained such autonomy might be, arises. It seems reasonable to assume that if universities have a single Rousseauesque contract, they will have a greater degree of autonomy than if they have been bound to a series of contracts and sub-contracts. In fact, this is not always the case. The case of Taiwan is an example of how constraining the practice of university autonomy might be. Article 1 of the University Act states, 'Academic freedom of a university shall be protected and it (university) shall enjoy autonomy ***to the extent provided by law***.' Literally, this Article, as a single Rousseausque contract, seems to grant universities greater autonomy. From the research findings, unfortunately, 'to the extent provided by law' in practice ends up as an irony because the room for a university to manoeuvre is so limited under the presence of heavy regulation and laws.

Fourth, contracts entail negotiations, but the latter do not necessarily mean 'direct and explicit involvement' of each party in the contracts. Often, universities claim that the contracts with governments do not entail negotiations because the latter is a powerful party. However, the actions of the latter are also restricted by the Parliament, or by national constitutions and legislation, or, the society by large, which, indirectly, represent universities in their negotiation with governments. For example, leaving aside its weak implementation, Article 1 of the University Act in Taiwan, which is protecting academic freedom and university autonomy, should have had effective power to restrict the government in issuing their administrative regulations. The interpretation of the legislative provisions can also open a chance for universities to negotiation. The

financial memorandum, for example, in England, is also identified as a contract, whose terms are also confined to the level that nothing in it 'shall require the institution to act in a manner which could cause it (the university) to lose it charitable status or which would be inconsistent with its charter and statutes' (HEFCE Circular 15/97).

Finally, it is essential to ask whether contracts contradict autonomy. Legally, contracts grant both contractees and contractors 'autonomy' because both sides are not bound by the other party, but bound by the terms of their contracts. Thus, 'contractual autonomy' can be accepted. In the case of a university, the term 'contractual autonomy' does not necessarily mean that the university has a lot of autonomy or has little autonomy. However, it is an expression of the reality that the university can always exercise its autonomy within certain frameworks and boundaries, which vary from case to case.

Thus, the purpose of proposing the concept of 'contractual autonomy' is to argue that universities still have to assume their own responsibilities if they want to enlarge their 'contractual autonomy', even though the existing frameworks are very restrictive in nature. The question of 'how universities can enlarge their 'contractual autonomy'?' is actually equivalent to asking 'how can universities as institutions earn their autonomy, while they have already claimed their autonomy as idea?' Clark (1998) argues that only universities 'can take essential actions', though system organisers can help to clear the way by reducing state mandates and manipulating broad incentives (p. 136). These 'essential actions' can be effected in many ways, suggested in the literature, such as 'generating more alternative sources of income' or 'demonstrating their worthiness for public funding to strengthen the continuity of government's financial contribution', and so on. However, Clark's arguments may ignore cases, like Taiwan. The latter case is a reminder that, if system organisers outside the universities are willing to clear the way, by, for example, reducing state mandates and providing broad incentives, then the beneficent consequences of universities' taking essential actions, can be enhanced.

9.4 Implications and Conclusions

This thesis began with an interest in understanding relationships between university autonomy and funding, and academic arguments on this issue. It gradually became clearer to me that these relationships are usually, though erroneously, reduced to a linear

sequence – the greater the government funding, the less the university autonomy, or, the greater non-government funding, the greater the autonomy, or the like. Certain arguments appear to seize upon superficial phenomena for support, and appear less than complete. The motivation for a deeper exploration is derived from my spontaneous doubts about the adequacy of these linear arguments for explaining the experience of higher education in Taiwan. The researcher started to wonder 'What's wrong with Taiwan' rather than being 'smart' enough to jump directly to the question, 'What may be missing in these arguments?'

An extensive literature review helped re-direct the focus of this research and helped me realise that there were elements missing, in these arguments, and that the elements needed to be identified. The exploration of relevant issues, including university governance, the idea of university autonomy, funding, and government-university relationships, have been set out at length in the preceding chapters. There is no intention to repeat all the arguments again here. They form a solid foundation for an argument that the relationship between university autonomy and university funding of a given country, cannot be understood simply in terms, either of the resource dependence perspective, or of a judgement of the degree of university autonomy in the light of funding mechanisms. Instead, any agenda for understanding or comparing the relationship between university autonomy and funding across countries must be constructed, and results of investigation interpreted, in the light of government-university relationships, and of the idea of university autonomy. If this is not done, then conclusions which posit a direct relationship between university autonomy and funding, should be treated with caution and with reservations.

The results of the empirical studies give concrete form to the arguments of this thesis. Through discussions of the empirical findings in conjunction with theoretical explorations, understanding of the relationship between university autonomy and funding is advanced. The comparisons between England and of Taiwan are not limited to establishing and describing factual differences between them, but seek to establish links between what has been observed empirically, and the respective contexts of the two countries, and seek then to relate 'relationship or even patterns of relationship to each other' (Schriewer, 1990). Although government-university relationships and the idea of university autonomy have been identified as missing elements in arguments in

the literature regarding the relationships between university autonomy and funding, it would be imprudent to conclude that universities having the same context may be assumed to enjoy the same autonomy. Such a conclusion proves fragile by the existence of many paradoxical examples.

In England, while all universities share the same current context, they clearly do not become the same, and, while they have freedom to generate their income, some of them are still heavily dependent upon government funding. The context can be seen as providing a basic framework; however, what universities build on this context proves varied and complex. At this point, the resources that universities can draw upon, become critical. It should have been noted that, in the context of higher education, resources imply not only funding, but also include staff, students, academic reputations and institutional characteristics, as well as university's opportunities and ability to respond to them. The differentiation which results from variation in the above characteristics, may occur beyond the demarcation between pre-1992 and post-1992 universities.

In Taiwan, a differentiation in government-university relationships between national and private universities, is developing. In the past, under heavy regulation and legislation, and thick political ideology, the system of higher education was characterised by uniformity. Fortunately, in my view, the context is changing. De-regulation, as the government has pledged, is beginning to differentiate private universities from national universities. The former are being expected to develop their individual niches after they are given a greater discretion over use of their own money. As far as national universities are concerned, it is not clear, whether the government's proposal to grant them the status of corporation - which is argued as a way to enhance university autonomy - will create a new opportunity. However, some doubts, about the effects of this proposal on enhancing university autonomy, are inevitable.

On the basis of this research, and reflections upon it, certain implications for further study are put forward. Finally, in concluding this thesis, it is proposed that reflection is needed, on the issue of how universities earn and assert their autonomy, particularly in a context influenced by post-modernist doubts on the position of universities.

This study supports irreducible values, in adopting both quantitative and qualitative approaches to understand the practice of university autonomy, and the latter's association with funding. With regard to implications for further study, or a follow-up study, there is a need to re-examine the 37 key areas of university affairs covered in the research instrument. Though these 37 key areas of university affairs are extensive, it can be argued that individual areas should have different weights, depending on the perceptions, of university staff, of each area's importance in relation to university autonomy in practice. If further research can do a preliminary survey to rank areas of university affairs in order to giving different weights, as suggested, the results of the research as a whole will be more convincing.

Second, the measure of university autonomy should be multi-dimensional. In this study, the questionnaire covers at least three aspects: 1) university's decision-making power; 2) whether key affairs are thought to be under external regulation; and 3) changes in university autonomy. Interview perspective is the fourth dimension. The efforts on these aim to overcome the inevitable distance between the measure of decision-making power universities have, and the room for universities to exercise those powers in practice. Thus, how to measure the room for universities to exercise their legal powers, and universities' ability to fulfil their mission, though difficult, deserve further exploration in enhancing the understanding of university autonomy in practice.

Third, besides 'genuine' academics, key people from government or national agencies, to be included in the interview is needed, if access to such people can be obtained, and research resources are available. Such an inclusion will provide an important counterbalance to the universities' commentaries on the present boundaries between the government and the university.

Fourth, use of a comparative basis for study, is confirmed as valuable. Such a basis facilitates balance of view, countering any unwarranted 'absolutely certainties' of view. Comparison is a valuable way of thinking, which fosters both testing of researchers' prior assumptions, and enriching researchers' concept heuristically through acknowledgement and addressing of unexpected findings.

While post-modernist thinking recognises 'fragmentation, dispersal, discontinuity and

plurality as common features of the social world' (Morley, 1999, p. 43), the latter characteristics are unsettling and undermining the continuity, certainty and tradition of knowledge and truth on which universities could claim their position, privileges, and university autonomy. The proliferation of knowledge and 'socially distributed knowledge' (Scott, 1995) have made universities lose 'their monopoly over the definitions as to what is to count as knowledge' (Barnett, 2000, p. 35). 'Truth' itself appears problematic in a post-modernist society, and is certainly not something over which universities can claim a monopoly, or even, now, over which they are necessarily accepted as being authoritative. In this sense, it is understandable that certain academics should argue that 'the attenuated university' (Cowen, 1996) has arrived, or even that 'the death of the university' has occurred. However, such arguments usually ignore that the 'idea' of the university has been already a plural, not singular, one, 'ever changing, always adapting to new circumstances' (Smith and Webster, 1997). The roles and missions of universities are multiplying. 'The expanding university' (Barnett, 2000) is observable. Universities are still thought of as something with which the outside world wants to have connection, as seen, for example, in the emergence of virtual 'universities' or the 'university' for industry.

It is something of a paradox that post-modernist thinking undermines the previous firm framework underpinning universities, but it also infuses certain energising elements into universities' spirit challenging their 'taken-for-granted' rationality or prejudiced attitudes towards their claim for academic freedom and university autonomy. The relationships between a post-modernist society and the university are well described in the conclusion of Smith and Webster, who say,

> *Intellectuals in the university can act, to borrow from Auden, as an 'affirming flame' for the cultural life of a society. To ensure the flame burns brightly, the wider society needs must keep its distance while supplying the fuel. (Smith and Webster, 1997, pp. 112-113)*

Post-modernist thinking challenges, but strengthens, the importance of university autonomy to a society, and its practice. With more self-reflection and self-criticism, universities can prove themselves as entities which 'know best how to manage their own business' (Russell, 1993), and consequently how 'to best serve society' (Tight,

1992). Diverse funding, in this thesis, is not identified as a sufficient condition to enhance university autonomy. Behind the diverse funding, however, there is an important message which merits attention. That is, as Williams (1992a) argues, that a university with several funding sources 'is likely to be active in seeking out funds'. This brings in positive effects on university characters. Universities become more willing to assert to the outside world that they are 'better prepared to cope with the confusing complexity and rising uncertainty characteristic' of the environment (Clark, 1998). Universities' assertive willingness to bridge themselves to the environment will win themselves public confidence, beyond gathering money, staff and students.

No country in the world 'has a government which does not retain some control over its universities' (de Moor, 1993, p. 61), since, as Salter and Tapper (1994) argues, 'no state can afford to leave its higher education system to its own devices' (p. 18). Nevertheless, it is believed that governments in civilised societies know how to value university autonomy; albeit that they usually have their dilemmas to deal with, given that resources are limited, and that the ideology that university education provides the manpower which the nation economy requires is prevailing.

This study concludes with reflections rather than recommendations. The rationale is that the study has not set out to show strategies that universities must take, or to solve any problems standing between government and universities. Instead, it has aimed to clarify certain existing arguments, which are usually treated as given, in the literature, and to enhance understanding the relationship between university autonomy and funding. I hope and trust that those aims have been achieved.

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Appendix 1 Interpretation No. 380 of the Council of Grand Justice

When the Legislative Yuan reviewed the submission of the Enforcement Rules of University Act delivered by the MOE which revised according to the new revised University Act, the legislators suspected the certain rules in the Enforcement Rules of University Act, not only beyond its mother law (that is the University Act), but also against the Articles of our Constitution. Therefore, the legislators delivered an appeal for a uniform interpretation regarding to the availability of the university autonomy on course decision. The Interpretation on May 26, 1995 is summarised as follows.

The lecture freedom referred to the Article 11 of the Constitution of Republic of China is designed to protect academic freedom. If we consider the nature of university education, academic freedom shall include freedom of research, freedom of teaching, and freedom of learning. It is also provided in Paragraph 2, Article 1 of the University Act, "Academic freedom of a university shall be protected and it shall enjoy autonomy to the extent provided by laws." The scope of autonomy shall mean direct involvement with crucial academic matters with respect to research and teaching. While the University Act does not prescribe how the curriculum of a university should be designed, it should fall within the scope of university autonomy because it is related to freedom of teaching and of learning, which are clearly crucial academic matters. But Article 162 of the Constitution provides, "All public and private educational and cultural institutions in the country shall, in accordance with law, be subject to State supervision." Thus, the supervision on the autonomy of university shall not only be conducted within the scope prescribed by law, but also shall comply with Article 23 of the Constitution, the so-called principle of statutory reserve. Unless otherwise specified in statutory law, the design of mandatory courses should comply with the foregoing principle of university autonomy. Under Paragraph 3, Article 23 of the Enforcement Rules for University Act, "Common mandatory courses for each university shall be made by the Ministry of Education through inviting all relevant persons of each university for discussion." Since the University Act does not authorise the Ministry of Education to invite all relevant personnel of each university for a discussion of common mandatory courses, the said Enforcement Rule should not contain the restrictions which are not provided by the University Act. Further, the second sub-paragraph of Paragraph 1 of the same provides that "those who fail in the examination of common mandatory courses shall not graduate." The provision essentially imposes restrictions for

graduation requirements, as such the common courses substantially constitute a restriction for graduation. According to Articles 23 and 25 of University Law, Articles 2 and 3 of the Diploma Law, the conditions of graduation fall within the scope of university autonomy. Therefore, the second sub-paragraph, Paragraph 1, Article 23 of the Enforcement Rule is contradictory to the provision of University Act, and the enactment of Paragraph 3 of the same has not been authorised by the University Act. As these provisions are violating the Constitution, they shall become null and void as of the date of promulgation of this Interpretation and no later than one year after the date hereof.

The scope of protection should be extended to other important academic activities. As long as the academic activities are related to exploration on studies and discovery of truth such as the formation of research motive, presentation of research project, organization of research personnel, allocation of budget, presentation for result of research, etc. should not only be protected, but also be given the opportunities to enjoy the provision of social resources. The activities in connection with teaching and studies, including design of curriculum, design of subjects, content of teaching, credential evaluation, rules for examination, freedom of selection of department and courses, and student autonomy, should all be protected. In addition, internal organisation of a university, employment of teachers, and evaluation of qualification all fall within the scope of university autonomy, and external interference should be prohibited. While the legislative intent of Articles 4, 8, 11, 22, and 23 of the University Act and first sub-paragraph, Article 3 of the Private School Law is that a university should be subject to State supervision, competent authority of education should avoid involving with the matters which are protected by academic freedom when it performs its right of administrative supervision. The design and arrangement of university curriculum should be dealt with by each university under the principle of university autonomy and academic responsibility.

Appendix 2 Academics' Formulations on the Contents of University Autonomy

Academics	Highlights
Ashby (1966)	Essential ingredients of university autonomy: 1) Freedom to select staff/ students and to determine the conditions under which they remain in the university; 2) Freedom to determine curriculum content and degree standards; 3) Freedom to allocate funds (within the amount available) across different categories of expenditure. (Ashby, 1966, p. 296)
D. C. Levy (1980)	The contents of university autonomy are defined operationally as university control (self-rule) over the following components: 1) Appointive aspect: hiring/ promoting/ dismissal of professors; selection/ dismissal of deans, rectors/ other administrative personnel; and the terms of employment. 2) Academic aspect: access to the university; career selection; curriculum offering and course instruction; degree requirements and authorisation; and academic freedom. 3) Financial aspect: determination of who pays; funding level; funding criteria; preparation and allocation of university budget; and accountability.
The Carnegie Survey in Higher Education (1982)	Survey aims to explore 'effective authority' for making decisions between higher education and the state/ This survey is of three main aspects of decision-making: 1) academic, 2) personnel-related, and 3) administrative.
Olaf C. McDaniel (1996)	The 19-indicator questionnaire assesses the relationship between governments and HEIs, and the degree of university autonomy in 75 countries/ The 19 indicators are derived from five main areas: 1). Financial policy, 2). General aspects of management, 3). Education (the issues of course content and supply), 4). Personnel policy, and 5). Student policy.

Appendix 3 Thirty-seven Key Areas of University Affairs

A. The academic dimension includes: 1) undergraduate entry qualifications, 2) number of (UK) undergraduates, 3) selecting postgraduate entrants, 4) numbers of postgraduates, 5) setting exams and student assessment, 6) setting degree standards and criteria, 7) awarding the degree, 8) structure of academic courses, 9) contents of individual courses, 10) adding/discontinue undergraduate programs, 11) adding/ discontinue postgraduate programs, 12) broad research priorities, 13) direction of specific research projects, 14) ownership of copyrights, and 15) ownership of other intellectual property rights. Under this dimension, there are three sub-dimensions proposed as follows: student recruitment (items 1-4), teaching (items 5-11), and research (items 12-15).

B. The appointive dimension includes: 16) appointment of vice-chancellor/ principal, 17) appointing academic staff, 18) promotion of academic staff, 19) dismissal of academic staff, 20) appointments of deans and department heads, 21) appointment of registrar, 22) appointment of personnel director, and 23) appointment of finance director.

C. The financial dimension includes: 24) drawing up annual budgets, 25) allocation budgets within university, 26) setting level of undergraduate tuition fees, 27) setting up university company, 28) borrowing money from capital market, 29) determining price of commercial teaching, and 30) determining price of research contracts/ projects, 31) determining salary scales of academic staff, 32) determining salary of individual academic staff and 33) setting annual income generation targets.

D. The organisational development dimension includes: 34) defining mission and objective of institution, 35) drawing up strategic development plans, 36) establishing/ merging/ discontinuing departments/ faculties/ group studies, and 37) determining internal administrative structure.

Appendix 4 Questionnaire

April 1998

University Autonomy and Its Relationship with Funding Questionnaire

- This Questionnaire is part of a study on university autonomy and its association with funding.
- Please enclose the completed Questionnaire in the stamped addressed envelope and return it, if possible, by 31st July. If you are willing to be interviewed, please can you put your name and telephone number or e-mail address at the end of Questionnaire.
- If you wish to receive a summary of the results from England and Taiwan, please write your name & address on the back of Questionnaire.
- The information you supply in this survey will be treated in strict confidence and presented as grouped data in any report.
- Thank you very much for your co-operation.

Ms Li-chuan Chiang (E-mail: cllppsn@ioe.ac.uk)

Professor Gareth Williams (E-mail: g.williams@ioe.ac.uk)

Institute of Education, University of London

Part One: Institutional Background Details (Please Tick as Appropriate)

1. To which group does your university belong? ❑ Pre-1992 ❑ Post-1992

2. Its Legal Instrument: ❑ Royal Charter ❑ Act of Parliament ❑ Other .....

3. Sources of Income (1996-7): ❑ HEFCE .....(%) ❑ Research Councils .....(%) ❑ Tuition Fees .....(%)

❑ Business & Industry.....(%) ❑ Overseas Student Fees ..... (%) ❑ Others ..... (%)

Part Two: The Guidelines for Completing the Questionnaire

There are Four Sections and an Appendix (Back Page) each corresponding to blocks of columns.

Section (I): Please Tick one Box which corresponds most closely to the decision-making situation in your University.

Entirely within University:	Initiation, process of decision-making and final approval are all in control of the university
Largely within University:	At least one of the 3 stages is significantly influenced by an outside agency.
Shared or Mixed:	There are significant inputs from both inside and outside the university and both have effective power of veto over the decision. A decision is also 'shared' if in some cases it is made by the university and in others it is determined externally.
Largely External:	External authority has formal powers to initiate a decision making process or to give final approval but is subject to some influence from University.
Entirely External:	The whole decision process is determined by an external agency or agencies.

Section (II): Please indicate the form of any significant external regulation:

Legal/ administrative regulations: Statutes, government regulations, etc.
Financial regulations: Significant conditions imposed by HEFCE, the Research Councils, etc. on any relevant financial allocation.
If the item is neither under legal/ administrative nor financial form of regulations, please tick "**Other**" and please explain in the Appendix.

Section (III): Please tick as appropriate "Does your University have the possibility of significantly reducing external control in this area by raising its own income? For example, can it recruit additional undergraduates and charge them fees?"

Section (IV): Please tick as appropriate "Has autonomy with respect to each item changed in your University during the past ten years?"

Thus each row should have four ticks **(see example)**. Please make any explanatory comments about any of your responses in the Appendix.

(Example)	**Section (I)**					**Section (II)**				**Section (III)**			**Section (IV)**		
The Following Items Decided by?						Form of External Influence or Authority				Does your University have the possibility of significantly reducing external control in this area by raising its own income?			Has autonomy changed in your University during the past 10 years?		
(Please Tick '√' as Appropriate)	Entirely within Univ.	Largely within Univ.	Shared or Mixed	Largely External	Entirely External	Legal/ Admini-strative	Finan-cial	Other	None/ Don't Know	Yes	No	Don't Know/ Not Applicable	Increase	Decrease	No Change
1. Undergraduate Entry Qualifications	√					√					√		√		
2. Number of UK Undergraduates			√				√			√					√

Part Two:	Section (I)					Section (II)				Section (III)			Section (IV)		
The Following Items Decided by? (Please Tick "√" as Appropriate)	Entirely within Univ.	Largely within Univ.	Shared or Mixed	Largely External	Entirely External	Form of External Influence or Authority				Does your University have the possibility of significantly reducing external control in this area by raising its own income?			Has autonomy changed in your University during the past ten years?		
						Legal/ Admini-strative	Finan-cial	Other	None/ Don't Know	Yes	No	Don't Know/ Not Applicable	Increase	Decrease	No Change
1. Undergraduate Entry Qualifications															
2. Number of UK Undergraduates															
3. Selecting Postgraduate Entrants															
4. Number of Postgraduates															
5. Setting Exams & Student Assessments															
6. Setting Degree Standards and Criteria															
7. Awarding the Degree															
8. Structure of Academic Courses															
9. Contents of Individual Courses															
10. Adding/ Discontinue Undergraduate programs															
11. Adding/ Discontinue Postgraduate programs															
12. Broad Research Priorities															

Note: 1. Univ.: University; External: External Agencies Including Funding Council, Research Councils, DfEE, Governmental Agencies and Non-governmental Agencies.

2. Item 5 & 6, if the external examiners are chosen by University, this is the internal case.

(Continued)

Part Two:	Section (I)					Section (II)				Section (III)			Section (IV)		
The Following Items Decided by? (Please Tick "√" as Appropriate)	Entirely within Univ.	Largely within Univ.	Shared or Mixed	Largely External	Entirely External	Form of External Influence or Authority				Does your University have the possibility of significantly reducing external control in this area by raising its own income?			Has autonomy changed in your University during the past ten years?		
						Legal/ Admini-strative	Finan-cial	Other	None/ Don't Know	Yes	No	Don't Know/ Not Applicable	Increase	Decrease	No Change
13. Direction of Specific Research Projects															
14. Ownership of Copyrights															
15. Ownership of Other Intellectual Property Rights															
16. Appointment of Vice-chancellor/ Principal															
17. Appointing Academic Staff															
18. Promotion of Academic Staff															
19. Dismissal of Academic Staff															
20. Appointment of Deans & Department Heads															
21. Appointment of Registrar															
22. Appointment of Personnel Director															
23. Appointment of Finance Director															
24. Drawing up Annual Budgets															
25. Allocation Budgets within University															

(Continued)

Part Two:	Section (I)					Section (II)				Section (III)			Section (IV)		
The Following Items Decided by? (Please Tick "√" as Appropriate)	Entirely within Univ.	Largely within Univ.	Shared or Mixed	Largely External	Entirely External	Form of External Influence or Authority				Does your University have the possibility of significantly reducing external control in this area by raising its own income?			Has autonomy changed in your University during the past ten years?		
						Legal/ Admini-strative	Finan-cial	Other	None/ Don't Know	Yes	No	Don't Know/ Not Applicable	Increase	Decrease	No Change
26. Setting Level of Undergraduate Tuition Fees															
27. Setting up University Companies															
28. Borrowing Money from Capital Market															
29. Determining Price of Commercial Teaching															
30. Determining Price of Research Contracts/ Projects															
31. Determining Salary Scales of Academic Staff															
32. Determining Salary of Individual Academic Staff															
33. Setting Annual Income Generation Targets															
34. Defining Mission & Objectives of Institution															
35. Drawing up Strategic Development Plans															
36. Establishing/ Merging/ Discontinuing Departments/ Faculties/ Group Studies															
37. Determining Internal Administrative Structure															

(Continued ⟩) ⊇ **Please Make Any Explanatory Comments about Any of Your Responses on the Back Page. Thank You Very Much.** ⊇

Appendix

Please Make Any Explanatory Comments about Any of Your Responses Here	
Groups	**Comments**
Group One: (Item 1-4) Student Recruitment	
Group Two: (Item 5-11) Structure Contents of Quality of Teaching & Research	
Group Three: (Item 12-15) Research Management	
Group Four: (Item 16-23) Staff Appointments	
Group Five: (Item 24-33) Financial Management	
Group Six: (Item 34-37) Academic & Organisational Development	
Would you be willing to be interviewed in connection with this survey? **< > Yes; Name:** **E-mail Address & Tel No:** **< > No.**	
If you wish to receive a summary of the results from England and Taiwan, please write your name & address here. **Name:** **Address:**	

⊇Thank You Very Much for Your Precious Time and Co-operation.

Appendix 5 Interview Schedule for England

Date: 17 July 1998

Dear Mr. A,

I will meet with you to discuss your completed questionnaire further and talk with you on the issue of university autonomy and its association with funding. Besides, in this study, one of major tasks is to redefine university autonomy. After an extensive literature review, the definition-- 'Contractual Autonomy', has been proposed in my study. I will very much appreciate if you can give me some comments on this definition and its usefulness. I have outlined a general schedule which we can follow to act as a guideline for the interview. I also would like to reconfirm with you about the length of interview which will go 50 minutes to one hour.

Part I: Some questions on the completed questionnaire.
Part II.:

1. In your view, why is the culture of university autonomy strong in British universities?

2. In your view, what is the main challenge to university autonomy now and in the future? What is possibly a feasible way to protect university autonomy? How much does funding can help the university to enhance its existing autonomy?

3. Can you briefly let me know which sources of funds enhance and which possibly put the autonomy of your University under threat?

4. Can we talk about the financial memorandum between the HEFCE and your University? What impact does it bring on internal decision-making and on university autonomy?

5. How do you see the relationship between contractual obligations to funders, university autonomy and academic freedom?

6. What is the main consideration while your university deciding the following matters:

1). student recruitment;
2). structure of courses and teaching quality;
3). research quality;

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4). staff appointment;
5). strategic financial management; and
6). organisational development?

7. Is it appropriate to use the term 'Contractual' to describe the relationship between the university and the outside agencies, whatever government or private? According to the contractual relationship to redefine university autonomy as 'Contractual Autonomy'(its definition as following) , is it applicable to describe the autonomy your University can enjoy?

The Definition of Contractual Autonomy

A university is always operated within a set of 'contracts', whatever in explicit and formal or implicit and informal form. Autonomy is a relative, not an absolute concept. Neave (1988) argues that autonomy is contextual and political defined. With the changing relationship between the university and outside agencies, it is time to redefine university autonomy. (Neave, 1988; Tapper & Salter, 1995) Obviously on the financial aspect, the contractual relationship is gradually recognised. (Berdahl, 1990; Ferris, 1992) But in fact university autonomy is also exercised within a set of contracts; besides the financial contracts, they include the legal and social contracts.

'Contractual Autonomy' means that the university and the parties involved in the contracts achieve the agreements through bargaining and negotiation. After the contract being set, the university exercises its autonomy within the contracts to self-govern its affairs. The degree of autonomy will dependent upon how much room is left for the university for negotiation and how much capability of the university to meet the requirements of the contracts. 'Contractual Autonomy' fluctuates as the relationship between the university and outside agencies fluctuates. The definition can help 'university autonomy' to illustrate its dynamic feature.

I am looking forward to meeting you.

Yours Sincerely,

Li-chuan Chiang
Research Student

Li-Chuan Chiang Tel No: 0171- 262 7144 <cllppsn@ioe.ac.uk>

Appendix 6 Interview Schedule for Taiwan

Date: 17 Sep. 1998

Dear Mr. A,

I will meet with you to discuss your completed questionnaire further and talk with you on the issue of university autonomy and its association with funding. Besides, in this study, one of major tasks is to redefine university autonomy. After an extensive literature review, the definition-- 'Contractual Autonomy', has been proposed in my study. I will very much appreciate if you can give me some comments on this definition and its usefulness. I have outlined a general schedule which we can follow to act as a guideline for the interview. I also would like to reconfirm with you about the length of interview which will go 50 minutes to one hour.

Part I: Some questions on the completed questionnaire.
Part II.:

1. In your view, why is university autonomy important for the development of the university in Taiwan?

2. In your view, what is the main challenge to university autonomy now and in the future? What is possibly a feasible way to protect university autonomy? How much does diversification of funding can help the university enhance autonomy?

3. Can you briefly let me know which sources of funds enhance and which possibly put the autonomy of your University under threat?

4. How do you see the changing government-university relationship? Does the MOE adopt a supervisory, rather than a managing, role in dealing with university affairs?

5. What is the main consideration while your university deciding the following matters:

1). student recruitment;
2). structure of courses and teaching quality;
3). research quality;
4). staff appointment;
5). strategic financial management; and
6). organisational development?

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7. Is it appropriate to use the term 'Contractual' to describe the relationship between the university and the outside agencies, whatever government or private? According to the contractual relationship to redefine university autonomy as 'Contractual Autonomy'(its definition as following) , is it applicable to describe the autonomy your University can enjoy?

The Definition of Contractual Autonomy

A university is always operated within a set of 'contracts', whatever in explicit and formal or implicit and informal form. Autonomy is a relative, not an absolute concept. Neave (1988) argues that autonomy is contextual and political defined. With the changing relationship between the university and outside agencies, it is time to redefine university autonomy. (Neave, 1988; Tapper & Salter, 1995) Obviously on the financial aspect, the contractual relationship is gradually recognised. (Berdahl, 1990; Ferris, 1992) But in fact university autonomy is also exercised within a set of contracts; besides the financial contracts, they include the legal and social contracts.

'Contractual Autonomy' means that the university and the parties involved in the contracts achieve the agreements through bargaining and negotiation. After the contract being set, the university exercises its autonomy within the contracts to self-govern its affairs. The degree of autonomy will dependent upon how much room is left for the university for negotiation and how much capability of the university to meet the requirements of the contracts. 'Contractual Autonomy' fluctuates as the relationship between the university and outside agencies fluctuates. The definition can help 'university autonomy' to illustrate its dynamic feature.

I am looking forward to meeting you.

Yours Sincerely,

Li-chuan Chiang
Research Student

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